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CALL TO ACTION.

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GREAT UPRISING. ITS SOURCE AND CAUSES.

BY

JAMES B. WEAVER.

"You take my house when you do take the prop
That doth sustain my house; you take my life
When you do take the means whereby I live."
—*Shakespeare.*

"The [illegible] may come and call it show;
Their cheeks may [illegible] and [illegible]
And some [illegible] bodily medicine's."
—*Ecclesiastes of the Monk to* [illegible]
and Anthony on the Death of [illegible]

DES [illegible]
IOWA PRINTING CO., PRINTERS, BOOKBINDERS AND LITHOGRAPHERS.
1892.

Sincerely Yours
J. B. Weaver

A

CALL TO ACTION.

AN INTERPRETATION OF THE

GREAT UPRISING. ITS SOURCE AND CAUSES.

BY

JAMES B. WEAVER.

"You take my house when you do take the prop
That doth sustain my house; you take my life
When you do take the means whereby I live."
—*Shakespeare.*

"The enemy comes on in gallant show;
Their bloody sign of battle is hung out,
And something to be done immediately."
—*Exclamation of the Messenger to Octavius and Anthony on the Plains of Phillippi.*

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1892.

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PREFACE.

The author's object in publishing this book is to call attention to some of the more serious evils which now disturb the repose of American society and threaten the overthrow of free institutions.

We are nearing a serious crisis. If the present strained relations between wealth owners and wealth producers continue much longer they will ripen into frightful disaster. This universal discontent must be quickly interpreted and its causes removed. It is the country's imperative Call to Action, and can not be longer disregarded with impunity.

The sovereign right to regulate commerce among our magnificent union of States, and to control the instruments of commerce, the right to issue the currency and to determine the money supply for sixty-three million people and their posterity, have been leased to associated speculators. The brightest lights of the legal profession have been lured from their honorable relation to the people in the administration of justice, and through evolution in crime the corporation has taken the place of the pirate; and finally a bold and aggressive plutocracy has usurped the Government and is using it as a policeman to enforce its insolent decrees. It has filled the Senate with its adherents, it controls the popular branch of the National Legislature by cunningly filling the Speaker's chair with its representatives, and it has not hesitated to tamper with our Court of last resort. The public domain has been squandered, our coal fields bartered away, our forests denuded, our people impoverished, and we are attempting to build a prosperous

commonwealth among people who are being robbed of their homes—a task as futile and impossible as it would be to attempt to cultivate a thrifty forest without soil to sustain it. The corporation has been placed above the individual and an armed body of cruel mercenaries permitted, in times of public peril, to discharge police duties which clearly belong to the State. Wall Street has become the Western extension of Threadneedle and Lombard streets, and the wealthy classes of England and America have been brought into touch. They are no longer twain, but one, and have restored to Great Britain all the dominion she desires over her long lost colonies. We have in late years become an important prop to the British throne and the hope of her dominant classes. We are careful not to act in monetary affairs without her consent; and if not in monetary affairs, then in none other, for money has become the Alpha and Omega of modern life.

The aristocratic classes in the old country constantly point their turbulent starving masses to the United States, in proof that republics afford no refuge or hope to the oppressed millions of mankind.

But the present stupendous uprising among the industrial people of the new world confounds them. It is the second revolt of the colonies. It required seven years for our fathers to overthrow the outward manifestations of tyranny in colonial days. But our weapons now are not carnal, but mighty to the pulling down of strongholds. Their children can vanquish the American and British plutocracy combined in a single day—at the ballot-box. They have resolved to do it. If this book can in the least aid in the mighty work, we shall be content.

The few haughty millionaires who are gathering up the riches of the new world, make use of certain instruments to accomplish their selfish purposes. The people are

beginning to understand what these instrumentalities are, and are preparing to resist their destructive force. The purpose of this book is to make clear the great work which lies before us. It must be thorough and complete in order to be permanent. The magnitude of our task will appear as we advance in the struggle.

We have made no attack upon individuals, but have confined our criticisms to evil systems and baleful legislation. We have endeavored to be accurate, but claim no literary merit for our effort. We submit the work to the criticism of our co-temporaries and the candid consideration of patriotic people.

THE AUTHOR.

A CALL TO ACTION.

CHAPTER I.

THE SENATE.

The English Parliament was copied after the Saxon National Assemblies. The Gemot, as it was called, consisted of a single body and was composed of the great and powerful supporters and defenders of the King. The Magna Charta provided for the addition of a certain number of Lords and church dignitaries, to be selected from the spiritual hierarchy, such as Arch-bishops, Bishops and Abbots. To these theocratic law makers were referred, among other important matters, all questions relating to taxation. From the remotest period in the history of the Saxons it had been the settled policy never to submit to the imposition of taxes unless the subject had consented thereto either personally or through some authorized representative. So scant were the royal revenues at this remote period, as compared with the extravagant expenditures, that it was with extreme difficulty that the wants of the crown and the nobility could be supplied at all; and history shows that in nearly every instance the taxes were voted only in return for some new concession of liberty to the people. During the fitful intervals of peace, wealth accumulated and centers of population and commerce multiplied. Naturally enough these communities, in course of time, asked for representation in the great council. The prince and his barons consented—for a price. The purchase was made and in this way the great body of the English people, who were neither clerical nor noble and who were simply organ-

ized into "communities," and shires, secured a hearing and gradually acquired a foothold among the law makers of the realm. With the lapse of time and the increase of population and wealth, came the extension of suffrage. When the crown was powerful and the unrepresented people weak, the right of representation was sold for so much money paid directly into the royal treasury. When the electors became numerous and had the power of electing members of Parliament within their own hands, they in turn sold their votes to the highest bidder. Mr. May, in his excellent work on the British constitution, informs us that up to within a very recent period, it was a common thing for candidates for Parliament to visit the locality of their candidacy and with ready cash purchase the votes necessary to elect them, and then close the negotiations with an agreement properly signed and witnessed. But thanks to the extension of suffrage, and cognate reforms, England of to-day is comparatively free from this abuse. There is virtue in the people, and the plague spots of the world have often been healed by jostling against the multitude—by reaching out and touching the hem of their garments.

For many years the Commons occupied the same hall with the Barons and Lords. As they increased in numbers the Lords consented that these plebeian intruders might occupy a separate hall. The Commons represented those who paid the taxes and fought the battles, and soon after the separation into the two houses or halls, they took the question of taxes exclusively into their own hands. The power of the Commons has increased through all its history, while that of the Lords has constantly waned. These manifestations of decay on the one hand and of growth on the other, are both natural and philosophic. The functions of the House are normal and legitimate, while those of the Lords are imposed by law and are purely arbitrary and

artificial. Hence the tendency among enlightened people is to cherish the one and reject the other. Mr. Gladstone, in a speech delivered at Newcastle, in October of this year, favors the utter abolition of the House of Lords. He struck a popular chord which was already vibrating in America.

The revolt which brought on the American revolution was not so much against British institutions as against the tyranny of administration. England, except under Cromwell's Commonwealth, had a House of Lords, therefore, it was argued, the young republic must have a similar body; the Lords were men of great wealth and represented the aristocracy of the realm, therefore our senators should be selected because of their holdings in order that they might represent the wealth of this country; the Lords were not compelled to look to the people for their positions, but either inherited them from their ancestors or received them at the hands of the sovereign; therefore there should be some intervening select body of men in this country who should designate and select our Senators. It might be safe, they thought, to intrust the commonalty to select their State Legislators and national Representatives, but here their power must cease. It would be positively dangerous to go farther. Alexander Hamilton likened the method decided upon to a filter. The State Legislatures were "filtered" through the people. This refined and purified them, of course. The Senators, in turn, were to be "filtered" through the Legislatures. This removed them, with great prudence, far enough from the common herd to enable the wealthy classes to repose confidence in them. It was argued that this would afford a safe retreat from the excesses of the multitude and the follies of democracy. Hence they severed the legislative department and relegated the House to the vote holders and the Senate to the wealth holders.

When they reached the Executive, it was, of course, preposterous to think of electing that officer directly by the people. If the upper house of the National Legislature was too exalted to admit of popular selection, of course it would be shocking to think of electing a President by that method. Whoever heard of a British king being chosen by the multitude? Did he not wear his crown by divine authority? Our President could not hope to derive his office from so high a source, and yet it would never do to intrust his selection directly to the common people. Who so rash as to think of cutting loose from the doctrine of *jure divino* and deferring to the opinions and wishes of the vulgar majority? No, if we were not to have divine selection, it were rash to go to the other extreme and adopt direct plebeian election; and so, with great solemnity, the middle ground was taken—that of selection by the Hamiltonian process of infiltration. Hence the Electoral College was constructed. The Constitution does not contemplate, nor did its founders ever dream of great national nominating conventions and Presidential campaigns such as are common in our day. All that the law requires is for the people in the several states to repair to the polls every four years, at the stated time, and quietly vote for Presidential Electors, corresponding in number to the whole number of Senators and Representatives in Congress. The persons thus ordained and consecrated in turn select the chief magistrate. So far as the law is concerned it is not necessary that a single name shall be designated by anybody in connection with that high office prior to the day upon which the electors cast their votes. Everything in connection with our Presidential elections which is outside of this prescribed formula is extra-constitutional. The electors may select whomsoever they please for President and Vice-President, provided they be native-born citizens of the

United States, thirty-five years of age, and do not both reside in the same state. Prior to the year 1824, even the Electors were chosen by the State Legislatures instead of by the people, the State Legislatures having the power to designate the manner of their selection. At present the practice is for a few clever manipulators and party managers to select their favorite for the Presidential office and designate him in National convention. Following this, usually, sometimes before, the same men select the electors in the state conventions. The multitude, having no alternative left, may then be safely entrusted with the work of carrying the torches, doing the voting and footing the bills. The Senators, having been chosen by practically the same process of transudation, recognize in the Vice-President the shadow of the Executive and their natural presiding officer. This brings the Executive and the upper house *en rapport*, and the two combined are at once prepared to resist with lordly and platonic firmness all radical innovations threatened by the multitude. We call this government by the people. If it were not for the label it would never be so recognized.

The controversy which took place in the Federal Constitutional Convention concerning the method of choosing United States Senators, is a most interesting study. Among other things to be prominently noticed therein are the confused and contradictory opinions entertained by the fathers relating to this important subject. Some were in favor of their appointment for life by the Executive; others wished them to be chosen by the House of Representatives; a strong minority thought they should be selected by the people in the several States; a few were of the opinion that they should be chosen from districts composed of more than one State, and should be restricted to a very small number. Some members of the Convention thought they should consist of persons of wealth and influence, and be

chosen to represent the property rather than the people, and be empowered to choose the President and Vice-President of the United States.

After protracted delay and much discussion, however, the present method of selection by the State Legislatures was adopted by the vote of ten States, on the 7th day of June, 1787, on motion of Mr. Dickinson, of Delaware.

Mr. Dickinson stated that he had two reasons for his motion: "First, because the sense of the States would be better collected through their governments, than immediately from the people at large; secondly, because he wished the Senate to consist of the most distinguished characters, distinguished for their rank in life and their weight of property, and bearing as strong a likeness to the British House of Lords as possible, and he thought such characters more likely to be selected by the State Legislatures, than in any other mode." (Madison papers, page 813.)

The operation of this method of selection during the latter half of the century, at least, has fully met the expectations of its author. That Mr. Dickinson was fervently attached to the British monarchy is abundantly shown by his repeated eulogiums upon the British Constitution during the sessions of the Convention, and by the further fact that eleven years prior to the meeting of the Federal Convention, and while he was a member of the Continental Congress, he was the only member of that body who declined to sign the Declaration of Independence.

THE EARLY SENATE.

The first twenty years after the adoption of the Constitution were spent in adjusting the machinery of the new government. Then came the controversy with Great Britain which culminated in the war of 1812. Following the successful issue of that struggle came the questions of

re-chartering the United States bank, internal improvement, the boundary line between the treaty making and the legislative power, the troubles growing out of the celebrated Hartford Convention, the compromise measure of 1820, which established the line of 36–30, nullification in South Carolina, the Indian wars, and the Mexican war. Then followed a wide-spread slavery agitation which shook the country from center to circumference, and which finally resulted in civil war. These, and other important questions engaged public attention for about seventy years. The chief characters who figured from 1789 to 1850 would have adorned any age. As a rule, the Senate was filled with men justly distinguished for their talent—not wealth—and whether, as judged by the present generation, they entertained correct or incorrect opinions of public policy, they were selected because they were known by the whole body of the people to represent some idea—some policy—and they retained their positions for that reason. This brought together a body of strong men and made the Senate the theater of great intellectual conflicts. A glance at some of the great names who made the Senate illustrious during the first half century under the constitution, will be of interest. From Massachusetts we had John Quincy Adams, Daniel Webster, Timothy Pickering and Rufus Choate. From Connecticut, Roger Sherman, Oliver Ellsworth and Jonathan Trumbull. From New York, Gouveneur Morris, Martin Van Buren, Daniel S. Dickinson, Rufus King, Silas Wright and John A. Dix. From New Jersey, William L. Dayton, Theodore Frelinghuysen. From Pennsylvania, James Buchanan and Simon Cameron. From Delaware, Cæsar A. Rodney, James Bayard, John M. and Charles Clayton and Richard H. Bayard. From Maryland, Charles Carroll, of Carrollton, William Pinkney and Reverdy Johnson.

From Virginia, James Monroe, John Randolph and Richard Henry Lee. From North Carolina, W. P. Mangum. South Carolina, Charles Pinkney, Robert Young Haine and John C. Calhoun. Kentucky, Henry Clay, John J. Crittenden, Humphrey Marshall, John Breckenridge and Phelix Grundy. Ohio, Thomas Corwin, Thomas Ewing and William Allen. Indiana, William Hendricks, Edward A. Hannegan and Albert S. White. Mississippi, George Poindexter and Robert J. Walker. Maine, John Chandler and John Ruggles. Missouri, Thomas H. Benton. Michigan, Lewis Cass. Florida, David L. Yulee. Texas, Sam Houston. Iowa, A. C. Dodge and Geo. W. Jones. Almost every State within the Union was represented at this time by statesmen possessing national fame and influence. They did not rise above criticism, of course. Indeed, they were subject to that infirmity or perversity of judgment which caused them to transmit to posterity a solemn duty which they should have discharged themselves and which, in after years, had to be atoned for in blood.

Some one has well said that if a man would properly estimate public questions and foresee public crises, he must lay aside personal ambition and stubbornly and persistently decline official position. The suggestion is full of wisdom. With but few exceptions the official managers of public affairs and the law-makers, in periods of public tranquility, have been deaf to the wrongs and blind to the signs of the times in which they lived. They have generally failed even to comprehend the tremendous fact of impending revolution when it was just ready to burst upon them in devastating fury. The Magna Charta was extorted from a ruler who was blind to the march of events; Cromwell became Lord Protector of England because of another obdurate prince; George III and his ministry understood neither the

character of the colonists whom they were oppressing nor the manifest destiny of the new world. Louis XVI, of France, and his ministers, had they comprehended the march of ideas and the consequences likely to follow their own corrupt and oppressive reign and that of their immediate and profligate predecessors, could easily have averted the French Revolution, saved their heads and withheld from history the most tragic chapter in the blood-stained annals of mankind. But they could not comprehend the situation. Neither would they listen to those who did. Sins of omission are bad enough and lead to fearful consequences. But how frightful the result when aggressive wrong doing takes the place of duty omitted. Duty omitted sits idle and waits for calamity to overtake it. The aggressive wrong-doer turns round and starts in quest of the avenger, meets him half way and hastens the catastrophe. As a rule, men and women in the private walks of life—the sufferers—are first to apprehend impending danger, and it is their sleepless energies which finally arouse the drowsy conscience of the nations.

The renewal of the anti-slavery controversy, which occurred immediately preceding and following the compromise measures of 1850, developed and inducted into official life a new group of men, who represented the great forces which made up the irrepressible conflict destined to burst upon the nation at the end of that decade. Illustrious among these were Seward, of New York, Hamlin and Fessenden, of Maine, James Harlan, of Iowa, Hunter and Mason, of Virginia, Wade and Chase, of Ohio, Hale, of New Hampshire, Sumner and Wilson, of Massachusetts, Stephen A. Douglas, of Illinois, Bell, of Tennessee, Crittenden, of Kentucky, Robert Toombs, of Georgia, and Judah P. Benjamin, of Louisiana.

When hostilities began between the two sections, many of the southern Senators withdrew, and within a brief period the Senate was re-inforced by Grimes, of Iowa, Trumbull, of Illinois, Sherman, of Ohio, Boutwell, Morrill, Doolittle, and others, all men of distinguished ability. But when hostilities were at their heighth the following gentlemen were among the most distinguished of the

WAR GROUP OF SENATORS.

Charles Sumner and Henry Wilson, of Massachusetts, B. F. Wade and John Sherman, of Ohio, James Harlan and James W. Grimes, of Iowa, John P. Hale, of New Hampshire, William Pitt Fessenden, of Maine, Lyman Trumbull, of Illinois, Lot M. Morrill, of Maine, James R. Doolittle, of Wisconsin, and Foote, of Vermont.

These were all men of extraordinary intellectual strength. They passed to their positions through struggles which tested their capacity and developed their transcendent powers. At the appointed time they sprang into the arena like gladiators and challenged the world to intellectual combat. There were giants in those days. Mr. Douglas closed his eyes upon life just as the curtain rose upon the great drama. Most of the others filled their places until the curtain fell over the last scene and then joined the silent majority. A few—Sherman, Morrill, Trumbull and Harlan—still survive and are in the enjoyment of robust and serene old age.

Sumner was the diplomat of the group—the scholarly evangel of liberty and the flaming tongue of fire; Chase, the fiscal manager and stately jurist; Wade, the rugged, intellectual athlete; Harlan, the logician, the resistless orator, practical legislator and unerring interpretor of international law; Sherman, the adroit financier, while

Grimes, Trumbull and Doolittle were the great lawyers of the body. All were thoroughly schooled in practical affairs, accomplished legislators and filled their places with matchless ability. With but few exceptions all of these great characters have passed from the theater of action, and a

THIRD GROUP,

the immediate successors of the second, now briefly claims our attention. A few of the second are found also in the third. Among the most distinguished characters of the third group were Roscoe Conkling, Matthew H. Carpenter, Oliver P. Morton, John Sherman, George F. Hoar, George F. Edmunds, Henry L. Daws, David Davis, John A. Logan, William B. Allison, James Beck, James G. Blaine, John J. Ingalls, Daniel Vorhees, Preston B. Plumb, Joseph E. Brown, L. Q. C. Lamar, Benjamin H. Hill, Thomas F. Bayard, John P. Jones, Francis Kernan and Allan G. Thurman. Fifteen have disappeared from this group. Nine have died and six others are not now in the Senate.

The Senate of 1861-5 was called upon to legislate amid the perils of civil war. To the third group was given the task of reconstructing and readjusting civil government after the conflict was over. If peace hath her victories no less renowned than war, it must be that she hath her foes and perils also. The courage which can successfully meet and foil the tempter is superior to that required in the shock of battle. The former besieges the spirit, the latter assails only the body. The one is an enchantress and lures us to destruction, while the other is a mailed warrior and smites only with the sword.

It seems strange that the legislators of the war and reconstruction periods failed to comprehend that those who

drove hard bargains and exacted cruel concessions when the Republic was in peril, were as hostile to the spirit of liberty, though not so brave, as the armed Confederate. The motto of the Confederate leader was, "Give us our slaves and a dissevered Union or we will take them by force;" while that of the money shark was, "If you do not give us our price you can perish." The slaveholder lost his human chattels and the Confederacy perished. But the tyranny of capital was not broken by the war. On the contrary it was augmented beyond measure. The money power gained all that the slaveholder lost. It conquered the whole country and chained the children of toil, both black and white, to its chariot wheels. They threw the husk of liberty to the newly emancipated slave and appropriated to themselves the corn. All that liberty gained in that struggle was the extension of its nominal area far enough to include the black man. Surrounded by the perils of battle, the statesman of the war period made concessions which strengthened the tyranny of capital beyond the power of the imagination to conceive. In the days of reconstruction our leaders surrendered to it without a struggle. The battle for substantial and real emancipation has yet to be fought and it is but just ahead.

AN ALSATIAN DEN.

The leading members of the United States Senate during the war and reconstruction periods are chiefly responsible for the unconscionable acts of legislation which have cursed the Nation for over a quarter of a century and which, if not speedily corrected, are likely to precipitate a tragic revolution. This chain of legislation began in the early days of the war and was finished during the period of reconstruction. The following were enacted during the war period:

First. The exception clause of the Legal Tender act which placed a premium on gold for the benefit of gold gamblers, and at the same time depreciated the pay of the soldier fully one-half and greatly increased public expenditures. It in fact placed the country at the mercy of the New York and European speculators and stock jobbers during the whole period of the war. The exception clause was not in the bill when it passed the House. It was inserted in the Senate.

Second. The law which authorized the issue of bonds. The exigencies of war never called for the issue of a single bond. Those who framed the law simply intended to provide an opportunity for speculators whereby they could dispose of, at its face value in United States bonds, the paper which they had purposely depreciated and afterward purchased. They procured one law which enabled them to purchase Greenbacks at less than their face value, and another which empowered them to realize in gold the face value of the Greenbacks. They induced Congress to literally legislate hundreds of millions of wealth into their coffers.

Third. The National bank act. This act authorizes the bond holder to deposit his gold bearing bonds and secure from the treasury ninety per cent of his investment, and still draw quarterly from the people interest on the whole amount of the bond. It further invested the associated banks with the power which belongs to the Government—the power to issue the money of the people and regulate its volume.

Fourth. The Land Grant acts. By these acts the Homestead law was made a nullity and the Public domain given away to corporations, syndicates, and foreign nabobs.

Fifth. The act which surrendered the first mortgage lien of the government, on the Pacific railroads, and com-

pelled the people to pay interest on the money which they advanced to construct the roads. These bonds amounted to $64,623,512. We have paid on them, in interest, up to August, 1891, the sum of $65,350,008.64, and the end is not yet. The company now defies the government and laughs at the helplessness of the people.

Sixth. The contraction act of 1866, which authorized the destruction of our currency and its conversion into interest-bearing, non-circulating, and non-taxable debt. Under this act more than one billion of the currency was taken from circulation and destroyed. All these acts were passed under the supervision of the war group of Senators.

The following acts were passed during the reign of the third, or reconstruction group:

The Credit Strengthening act of 1869.
The act of 1873, demonetizing silver.
The Resumption act of 1875.

The object of the first was to pledge the payment of the entire public debt in gold. It looked to changing the contract in the interest of the grasping public creditor, long after the perils of war had passed and after our brave soldiers had abundantly strengthened the public credit by their valor and blood. The war was over and the bonds were selling at a premium at the time the act was passed.

The second stealthily struck down one-half of our coin money, doubled the value of gold and converted the coin bonds into gold obligations.

The third, under the guise of resuming specie payments, in fact provided for the utter destruction of our legal tender currency and the increase of the bonded debt. The calamity was in part averted by subsequent legislation which stopped the destruction of the greenback and partially remonetized silver. Public sentiment came to the

rescue, but the conspirators yielded with manifest and dogged reluctance.

Various degrees of responsibility attach, of course, to the public servants concerned in the passage of these accursed laws. Charity, if not absolute regard for truth, requires us all to conclude that most of these legislators were at the time unadvised concerning the motives of those who forced this pitiless legislation upon the country. The majority, perhaps, were as clay in the hands of the potter. A few cruel and skillful schemers moulded them at will. Honest men had their eyes on the salvation of the Union. Bad men took advantage of the situation. It was even so at the very foundation of our government. Our fathers were forced, by professed friends of liberty, to make choice of evils. Posterity had to atone for it. So, many of our legislators, during the periods of war and reconstruction, fell short of their duty. A few were willfully vicious. We are now suffering the penalty. It is to be hoped that the next generation may not have occasion to accuse those who shall legislate amid the tergiversations of the new revolution.

GREATER PERIL.

The slave holding aristocracy, restricted both as to locality and influence, was destroyed by the war only to be succeeded by an infinitely more dangerous and powerful aristocracy of wealth, which now pervades every State and aspires to universal dominion. Its first conquest was the subjugation of the dominant political party of the nation, while it required the other to keep the peace, under the threat that if it did not succumb it should never come into power.

Next it secured control of State politics, and finally found expression in a vast net work of corporations which have

seized upon almost every field of labor and every department of human effort. Neither the military achievements of Cæsar, the exploits of Cyrus, Hannibal, Alexander, nor the dazzling conquests of Napoleon in the fields of war, can compare with the stupendous victories of organized capital in this country during the past twenty-five years. They have outstripped the imagination, rendered fiction dull and uninteresting, and robbed romance of its charms.

The chief spirits through whose agency all these things have been accomplished are not unmindful that they are in conflict with both private right and the public welfare. They, above all others, know the extent of their wrong doing, and they fear reprisals at the hands of the people. To prevent remedial legislation they have filled the Senate of the United States with men who represent the corporations and the various phases of organized greed. The ideal Senate, longed for by Mr. Dickinson—a Senate composed of men of wealth and resembling the British House of Lords—has been realized and has long been in full operation. The method of selection was found to be peculiarly well fitted to their scheme. There is one characteristic common to all wrong doers—they work in the dark and conceal their motives. You know nothing of their purpose until the stab is inflicted. Like the cat, they walk in quest of prey with velvet feet; and like the assassin, they lie in wait and spring upon you without warning. The corporations never make public their purpose. They hold no public meetings. Their plans are laid in the counting room, around the lunch table, and in the secret meetings of their directors away from the public. When the plan is matured, a skillful agent is employed to carry it out, and a check is drawn to cover expenses. The people at large are about their daily toil in the field and the workshop. They are honest, unsuspecting, patriotic, and devoted to their respec-

tive parties. The work that is to rob and ruin them is being done under cover. The corporations—apparently wholly indifferent—having determined whom they wish to elect to the United States Senate, the next thing in order is to secure the nomination of suitable Legislative candidates—men who can be trusted to do their bidding. Secure in this, no effort or expense is spared to insure a triumph at the polls. Usually the name of the man whom they intend to elect to the Senate is kept in the background. The canvass is made wholly with reference to other issues. But as soon as the election is over, a venal subsidized press which has been party to the concealment during the campaign, suddenly throws off the mask and discovers that the senatorial question is all important and you then hear of nothing else. They suddenly discover that Mr. A or B is just the right man for the position, and the one above all others whom the party and the State should delight to honor. At the proper time headquarters are opened at the State Capital, and a lavish expenditure of money begins, while the people look on with amazement and wonder where the money comes from. The local manipulators, many of whom were parties to the conspiracy from the beginning, are sent for and kept upon the ground as a guaranty that the various bargains made throughout the State, shall be carried out. Then comes the party caucus, which all must attend and to whose decrees all must submit or lose their party standing. Finally the majority of the caucus, which is usually a minority of the Legislature, nominates the corporation candidate and the drunken brawl that has rendered the State Capital disorderly for a fortnight or more, is at an end and the people are betrayed.

CONTROLLING POWER OF THE SENATE.

In Great Britain the Commons control the politics of the realm. The Lords follow, and hence rarely originate a measure.

There have been but three instances of conflict between the two houses of Parliament for sixty years. In 1860 a conflict arose concerning the abolition of the paper duty. The lower house had voted it and the Lords wished to object. Both the Commons and the Ministry of Lord Palmerston disputed the right of the Lords to make any change in a bill relating to taxation, and the Lords were forced to yield. In 1868 and in 1874 similar conflicts concerning the Irish Church Bill and the jurisdiction of the English bishops, resulted in signal victories for the Commons. But it is a common thing, at every session of our Congress, for the Senate to strike out all after the enacting clause of bills relating to revenue, and insert an entirely new bill of their own. This course was pursued in the case of the Mills Tariff Bill, in the Fiftieth Congress, and in the Forty-ninth Congress the Morrison Bill was rejected altogether. In vain did the House plead for an observance of the Constitution, which requires that Revenue Bills shall originate in the House. The Senate haughtily persisted in according to the House the right to simply originate the formal title: "Be it enacted," but the right to originate the vital portions of the bill they stubbornly arrogated to themselves—thus trampling under foot both the Constitution and popular sentiment at one and the same time.

Theoretically the sovereign of Great Britain can withhold assent from any measure which may be passed by Parliament, but since the days when Queen Anne refused to sanction the Scotch Militia Bill, in 1707, the royal approval has never been withheld.

A vote in the House of Commons, in opposition to the policy of the ministry, hurls every minister from his position and compels a reorganization in harmony with public opinion. In democratic America, strange to say, the Senate is all powerful. To an alarming extent they can, and do, control both the House and the Executive, through the power lodged in them to confirm Executive appointments, and in various other ways. To illustrate: The present Senate has a Republican majority. During the administration of President Cleveland, the writer knew of instances where Democratic Secretaries of the Treasury, and of the Interior, before making appointments requiring confirmation by the Senate, requested a friend to consult with prominent Republican Senators and try to ascertain whether the appointments would be confirmed if made. This is of frequent occurrence in other departments within the knowledge of the writer. It is equivalent to giving the Senate, or still worse, the Senators consulted, the power to select, in addition to the power to confirm. Anyone at all acquainted with the manner of doing business in the House of Representatives is aware of the fact that measures are frequently framed with a view to their acceptability in the Senate, rather than with reference to the pressing wants of the public, even when the two bodies differ in politics; and, as to important measures, it is almost universally true when they are in political accord.

"LET US ALONE."

The corporations and special interests of every class created during the past twenty-five years by various species of class legislation and favoritism, have grown rich and powerful. They are now pleading to be let alone. They cry out, "You will disturb the peace, unsettle business and violate our vested constitutional rights." The world has

heard similar lamentations before. The same spirit has lurked in the pathway of progress and hissed its sinister protests from behind the Constitution and from beneath the very altars of our holy religion, from the beginning until now. The same argument was urged against the introduction of the gospel in the early days of Christianity. Alexander, the coppersmith, found that the new doctrine would interfere with his sale of the images of Diana, and therefore concluded the gospel should not be tolerated. And the Good Book tells us that the evil spirit that was caught torturing a poor unfortunate victim, upon beholding the Savior besought him to depart and not to interfere with his vested rights—not to cast him out before his time. This is perhaps the earliest enunciation of the salutary doctrine of vested rights. And it is a noteworthy fact that most of those who have occasion to plead it in modern times are engaged in the business of torturing somebody. But the preaching of the gospel did not cease, the sale of images disappeared and the Devil had to go. This old plea is now urged, however, in behalf of corporation usurpers and tyrants. They have nothing to gain by change. On the contrary everything to lose. Their Juggernaut must move and the car of progress stand still. They would not have the situation otherwise than it is, and as the most effectual method of enforcing this policy they have quietly filled the Senate with their friends. The punishment meted out by the corporations to Judge Thurman, of Ohio, for the faithful discharge of his duty concerning the Pacific railroads, while a member of the Senate, and the defeat of General Van Wyck, in Nebraska, after the people had expressed a desire for his re-election —these and a score of similar instances—attest only too accurately the extent and the deadly character of corporate influence in this body.

The Senate, as we have seen, was incorporated into our legislative system as a check upon the rashness and apprehended extremes of the popular branch of Congress. But it was not contemplated, even by Dickinson and Hamilton, that it should become the stronghold of monopoly, nor that it should hedge up the way to all reform and make impossible the peaceful overthrow of conceded abuses. In fact no tendency in this direction was observable until within the past thirty years. But of late this body has come to represent both the evil and the inertia of government. When you visit the Senate chamber you are at once reminded of antiquity. You feel that you are not far removed from that period when the changeless laws of the Medes and Persians were in force. If, without diverting your attention, you could be suddenly transported to an Egyptian charnel-house filled with mummies, you would be likely to mistake it for a Senate cloak-room. The very foot-falls of the Senators, as they walk across the tessellated floors sound like a constant iteration of statu quo! statu quo! statu quo!

THE SILVER EPISODE.

Recent occurances have caused many persons to doubt the correctness of public sentiment concerning the Senate. The whole country was taken aback and the majority of the people agreeably surprised, during the session of the Fifty-first Congress, by the passage through the Senate of a bill providing for the free coinage of silver. It was strangled in the House of Representatives and the people were amazed. Many thought that this called at least for a suspension, if not for a revision of public sentiment concerning the upper house of our Congress. A moment's reflection will explain it all. The Republican majority in the Senate

is not large. There are a few Republican Senators like Mr. Jones and Mr. Stewart of Nevada, Mr. Teller of Colorado, and Mr. Stanford of California, who really favor free coinage; and so of a few Democratic Senators, like Mr. Daniels of Virginia, Mr. Vorhees, of Indiana, and others. But the great body of Democratic Senators voted for free coinage with no higher motive than to embarrass the Republican speaker, the leaders of the House and the administration, who were known to be hostile to such legislation. For example, Senator Carlisle voted for the bill in the Senate, and yet while he was Speaker of the House in the preceding Congress, he was known to be uncompromisingly hostile to the free coinage of silver; and although he always appointed Mr. Bland chairman of the Committee on Coinage, Weights and Measures, he invariably filled the committee with anti-silver men, and thus made legislation in that direction impossible. No, with a sort of feline cruelty they were only playing with the free coinage mouse. It could be allowed to escape from the Senate, but they felt certain that the presiding officer at the other end of the Capitol could be relied upon to slay it at first sight. And if, unhappily, it should run successfully the gauntlet of the House, there was a trap at the other end of the avenue already waiting for the intruder, and it could be relied upon to do its work—an Executive veto was in waiting. Had there been the slightest probability, or even possibility, that the bill would become a law it could never have been reported for consideration. This view of the silver episode is in strict accord with the history of the Senate for fully a quarter of a century, and it is in harmony with the personal biography of a large majority of its members regardless of party.

INFLUENCE OF WEALTHY SENATORS.

The opinion expressed by Mr. Dickinson, in the constitutional convention, that men of wealth would be more likely to be selected for the Senate by State legislatures than by the people themselves, has been justified by the experience of the last thirty years. A large number of Senators are men of great wealth. Many of them have been the beneficiaries of class legislation which of late years has marked our history, and have acquired fabulous fortunes. A few have grown rich by superior business energy and enterprise. A small number inherited their riches. But without regard to the methods by which their wealth was acquired, the over-shadowing influence of the wealthy members over their less fortunate colleagues is a fact beyond dispute. It is still true that knowledge is power, but its processes are often tedious and its rewards tardy. Accumulated wealth is also power and it can exercise its strength at a moment's notice and often, for the time being, drives knowledge ignominiously from the field. But the latter generally returns re-enforced by experience. Ready cash is the storage battery of social and business influence. When directed in legitimate channels its energies are helpful and safe; but it also possesses a death-dealing current and the world is full of its victims. Under our present method of electing Senators it is an easy matter for an unscrupulous man of wealth to secure the position. When elected it is extremely difficult to displace him. Length of service affords opportunity to become established socially and officially. When a new Senator makes his appearance he is duly estimated and every courtesy and clever attention is extended to him. If the new member is a man of wealth, his status is fixed at once. If he is poor, it will not be long, unless he be unusually alert, before he is

likely to find himself under some obligation to his wealthy colleagues which tends to greatly circumscribe his power and limit his independence. If wealthy Senators were few in number they would still wield a dangerous influence over legislation. But when you add numbers to wealth, the danger is frightfully increased. At least a score of our Senators are millionaires. Another score are worth each a hundred thousand or more. Half a score are men of very considerable wealth. The remainder range from twenty thousand down to near the value of their salaries.

CORPORATION ATTORNEYS IN THE SENATE.

The immense volume of legislation relating to land grants, internal and external commerce, railway subsidies, excise taxes and import duties, contracts for carrying the mails, purchase of Indian lands, private land grants, steam ship subsidies, and a thousand and one other matters, have given rise to a flood tide of litigation unequaled in any age or clime. A large number of the contentions rising out of this legislation involve the construction of acts of congress, and not unfrequently their constitutionality also. In many cases the collection and proper disbursement of public moneys are called directly in question, and as long as Senators stand in the relation of law makers to the public, a proper appreciation of their high office should restrain them from appearing as attorneys, either for corporations or individuals, in cases involving the proper interpretation of statutes which they themselves have made. The practice, however, is just the reverse. When the Supreme Court is in session it is a common thing to see the leading Senators leave their seats and pass into the court room, there to act as counsel for the leading corporations. Many Senators are annually retained by corporations and other moneyed interests. Such things are incompatible with the faithful

discharge of public duty. It is true that the salaries and lawful emoluments of Senatorial life are meagre and uninviting; but no one is compelled to accept them. When once accepted, however, the privileges of the lawyer should cease just where the duties of the public servant begin. At this point his relation to the public changes entirely. The Nation then becomes his client and he should appear in his place and plead the cause of the whole people without mental reservation or self-evasion. No other rule is compatible with public duty or private honor. Public sentiment which will knowingly tolerate the infraction of such rule is utterly demoralized, and law makers who insist upon such indulgence should at once be permitted to return to the practice of their profession and to private life.

THE DECLINE OF THE SENATE.

There is not a single great leader in the Senate of to-day, not one who is abreast of the times, or who can be truthfully said to be the exponent of American civilization or the active champion of the reforms made necessary by the growth and changed relations of a century, and which are now struggling for recognition. John P. Jones, of Nevada, is the ripest philosopher, and by all odds the greatest thinker now in the Senate. We doubt, indeed, whether he has ever had an equal, along the line of economic thought, in all the history of that distinguished body. The versatility and scope of his genius make him a matchless teacher and he will forever rank as one of the great men of his day. He is full of forceful, original thought, and expresses himself in proverbs, but he lacks that singleness of purpose which marks the great leader. He has, in his mental armory, sufficient munitions of war to equip a whole legion, but he waits for others to recruit the forces and lead them to battle. There are other Sen-

ators who have a clear conception of duty, but this conception never ripens into action. They are stifled by their surroundings and dwarfed by their parties. One and all, they stand dumb and aimless in the presence of the mighty problems of the age. The situation reminds one of the era in the history of our planet mentioned in the book of Genesis, when it is said: "There was not a man to till the ground."

This august body is literally filled with splendid specimens of a by-gone epoch—men whose only mission is to preserve the old order of things—to guard the embalmed corpse of the past from the touch of the profane reformer. They are the lineal descendents of the fellows who skulked in the camp of Israel when Joshua insisted on crossing the Jordan into the promised land. They are as much out of place in this pulsating age of reform as a mastodon or a megatherium would be among a herd of our modern well bred domestic animals. They are fit only to adorn museums and musty cabinets. If their commissions could be recalled to-day and the question of their return referred to an open vote of their constituents, there is not one in ten who would stand a ghost of a show for re-election. They are not in touch with the people. Their strength lies in their entrenched position—not in their achievements nor the principles which they represent. If dislodged, they would be powerless to make another stand. We, of course, do not include in this criticism the two or three prophets of the new order of things, who have but recently been commissioned to go unto Ninevah, that great city, and to preach unto it the preaching whereunto they have been called. It will be time enough to speak of them when they shall have had opportunity to obey those who sent them.

Every great movement and struggle of the race develops its own leaders, who are forced to assault fortified positions and fight against great odds. Some positions have to be carried by storm, while others can only be taken by regular approaches which sorely try the endurance and resources of the besieging columns. Such were the characteristics of the great struggle of the 60's. Their storming parties were hurled forward with dash and power, and their sieges were stubborn and successful. To change the figure, the pioneers in the movement doubtless had a clear vision of the land to be ultimately possessed, but they quickly passed away and were succeeded by an inferior order of leaders who felt that they had done their whole duty when they had driven out the wild beasts, cleared away the forest and prepared the ground for the reception of good seed. They then rested upon their laurels and allowed the enemy to sow the field with tares. The seed has grown, the harvest has ripened, and the reapers are under orders to burn the tares.

The moral, intellectual and political leaders during the twenty years immediately following the war, with the single exception of Wendell Phillips, failed to comprehend the problems which confronted them. They stopped with the overthrow of the outward form of slavery. Through the strength and suffering of the great army of the people they succeeded in breaking the chains of chattel slavery and prepared the way for the complete triumph of man over those who lived by the enslavement of labor. All that was necessary was one more forward movement of the column, and the victory would have been complete. But they failed to make it and surrendered to a handful of task masters of another type, whose triumphs in the slave trade have never, in all the ages, been limited by distinctions of race or complexions of skin. This class of slave drivers have never yet been routed or permanently crippled. They have plied

their cruel vocation among all the families of men. To overthrow them is the grand work of the new crusade. Confederated labor has proclaimed the new emancipation. Now let the great army of toilers move on the enemy's works and enforce the decree.

A CHARITABLE RULE AND HOW IT WORKS.

The Constitution makes each house of Congress the judge of the qualification and election of its own members. They can, and do, prescribe their own codes of procedure, and the rules which shall govern the production of testimony in proceedings looking to the expulsion of a member. If a Senator is charged with the corrupt use of money in securing his election, it is quite natural that the other Senators, many of whom are under the same cloud, should at least be disposed to take a very charitable view of the rules which should govern the investigation and their own final action. There is a deep-seated conviction among the people, which in some way is strengthened by each recurring Senatorial election, that such positions are secured by open and shameless bribery and the criminal expenditure of money. Indeed, it has become of late the custom to inform the public, in a general way, that it cost the successful candidate from $50,000 to perhaps four times that sum to secure his election, and that the rival and defeated candidate—well, he was a little too coarse to pass through the Hamiltonian filter. His purse gave out, and the glittering prize eluded his grasp.

In the month of January, 1884, Henry B. Payne was elected to the Senate by the Legislature of the State of Ohio, having been nominated previously by the Democratic caucus, in which he received 45 votes, Durbin Ward 17, George H. Pendleton 15. The result was unexpected, as it was sup-

posed the sitting member, the Hon. George H. Pendleton, and Mr. Durbin Ward, had secured the pledges of a safe majority of those who would constitute the caucus of the dominant party, and the chances were largely in favor of Mr. Pendleton as against the field. No one had been so rash as to anticipate the election of Mr. Payne, nor had his candidacy even been mentioned prior to the election of the Legislature. The result was so unexpected that the large majority of the Democratic newspapers of the State openly charged that Payne's election had been secured by the corrupt use of money. Judge McKemy, of Butler county; Judge Coryell, of Adams; Allen G. Thurman and Gen. A. J. Warner, Democrats of national fame, all charged that the election of Payne was the result of corrupt purchase. Finally, the succeeding General Assembly of the State of Ohio, Republican in politics, proceeded to investigate the case. A large amount of very damaging and startling testimony was taken and reported by the committee. The Ohio Senate and House, each acting separately, passed the following resolutions, and transmitted them, along with the testimony adduced, to the Senate of the United States:

WHEREAS, by common report, suggested and corroborated by the public press of the State without respect to party, and by a recent investigation of the House of Representatives, the title of Henry B. Payne to a seat in the United States Senate is vitiated by corrupt practices and the corrupt use of money in procuring his election; and

WHEREAS, it is deemed expedient, in order to secure a thorough investigation of his said election as Senator by the United States Senate, that the belief of the General Assembly in this regard be formulated in a specific charge: Therefore, be it

Resolved, That in the opinion of the General Assembly, and it so charges, the election of Henry B. Payne as Senator of the United States from Ohio, in January, 1884, was

procured and brought about by the corrupt use of money, paid to or for the benefit of divers and sundry members of the Sixty-sixth General Assembly of Ohio, and by other corrupt means and practices, a more particular statement of which cannot now be given.

Resolved, That the Senate of the United States be, and the same is hereby, requested to make a full investigation into the facts of such election so far as pertains to corrupt means used in that behalf.

Resolved, That the governor be, and is hereby, requested to forward a copy thereof to the president of the Senate of the United States.

I hereby certify that the foregoing is a true and correct copy of said resolution, as the same appears upon the Senate journal of Friday, May 14, 1886, after being changed from a "joint" to a "Senate" resolution, and adopted by the Senate.

C. N. VALLANDIGHAM,
Clerk Ohio Senate.

[H. R. No. 89.—Mr. Brumback.]

WHEREAS, it is the precedent in the United States Senate that charges of bribery must be directly made to warrant a committee of said body in proceeding to investigate the title of any United States Senator to his seat: Therefore,

Be it resolved by the House of Representatives of Ohio, That in the investigation made under House resolution No. 28, ample testimony was adduced to warrant the belief that the charges heretofore made by the Democratic press of Ohio are true, to-wit: That the seat of Henry B. Payne, in the United States Senate, was purchased by the corrupt use of money; and

Further resolved, That the honor of Ohio demands, and this House of Representatives requests, that the said title of Henry B. Payne to a seat in the United States Senate be rigidly investigated by said Senate; and

Further resolved, That the governor of Ohio be requested to forward a copy of this resolution to the president of the United States Senate.

IN HOUSE OF REPRESENTATIVES.

Adopted May 18, 1886.

Attest: DAVID LANNING, *Clerk.*

In addition to this charge of corruption and request for investigation by the Legislature of Ohio, ten of the Representatives in Congress from that State, headed by the Hon. Benjamin Butterworth and the Hon. Mr. Little, also made formal charges and requested investigation. The names of witnesses, and a fearful synopsis of what could be proven by them, accompanied the request. It must be remembered that the Senate was the only body then having complete jurisdiction over both the accused and the subject matter under controversy. The moment that the certificate of election was delivered to Mr. Payne, the Senate became the sole judge of his qualification and election.

April 27th, 1886, the Senate of the United States referred these resolutions, together with the accompanying testimony, to the Committee on Privileges and Elections, composed of nine members, five Republicans and four Democrats, to-wit: Wm. M. Evarts, H. M. Teller, John A. Logan, Geo. F. Hoar, Wm. P. Frye, James L. Pugh, Eli Saulsbury, Z. B. Vance and J. B. Eustis.

In addition to the mass of printed testimony referred to this committee, Mr. Butterworth and Mr. Little appeared in person and gave the names of additional witnesses by whom the charges could be sustained, if the committee wished to be informed.

The evidence taken before the committee of the Ohio Legislature, and submitted to the Senate committee, established by creditable witnesses the following facts:

One member, after the caucus, deposited $2,500 in two amounts, and being charged that it was the price of his vote, did not persist in denial. Another who changed to Payne, just before the caucus, stated to a colleague that he was offered $5,000 to vote for Payne, and intended to accept it, and tried to induce his colleague to do the same. That this person's wife, just afterward, deposited $2,500 in a

Toledo bank, took a certificate therefor, which she transferred to her husband.

Another, who is claimed to have changed suddenly from Pendleton to Payne, is found making, soon after, expenditures amounting to $1,600 with his own money on land, the title to which was taken in the name of his father, who paid $2,000 for it about the same time. The father and son lived together in the same house. The son testified that he did not know where the father got the money to pay the $2,000. The father refused to state where he got his $2,000, and said he did not know where the son got the $1,600, and if he did he would not tell. The same member also made other large payments of money about the same time.

Another, who had to borrow money when he went to Columbus, and changed suddenly from Pendleton to Payne, was shown just after the election to be in possession of money to purchase property, refurnish his house, etc. He was denounced by another member as having sold his vote. He turned exceedingly sick, made no denial, and was taken away. Two others, elected as anti-monopolists, became supporters of Mr. Payne, and were heard discussing together the amount of money each had received. Another, who had before been for another candidate, but voted for Mr. Payne, received from Oliver B. Payne $3,500, which he said was a loan. Another, according to affidavits produced by Mr. Little, was declared by a fellow member to be claiming $3,500 for his vote. Another, who had been very earnest in support of Pendleton, visited the room of Mr. Payne's managers, where the large sums of money are alleged to have been seen, and immediately afterward voted for Mr. Payne.

Sixty-five thousand dollars was taken to Columbus, as stated to a witness by D. R. Paige, Payne's friend. The room of Paige, immediately preceding the caucus, presented

the appearance of a *bank*, as stated by Governor Mueller and Paige's friend. There were, in Paige's private room, coin sacks, empty sacks, and cases for greenbacks, scattered about on the floor and table, according to Paige's friend, who called to see him, and a few moments afterwards told Colonel Russell, saying, also, that Payne would get there. It appears that the conversions from Pendleton to Payne were largely the result of a visit to the Paige rooms.

It appears, also, that those who had been pledged to Pendleton were immediately thereafter flush, could discharge debts, lift mortgages, and buy property for cash.

With these facts before them, the committee reported that there was not sufficient evidence to justify the Senate in further investigation! The following is taken from the majority report:

Your committee are of the opinion that, to deprive a sitting member of the Senate of his seat, the Senate must be satisfied by legal evidence that he was *personally* guilty of bribery, or that he was *personally* connected with the bribery or the corrupt use of money to secure his election, or that he had *personal* knowledge of such corrupt use of money, and personally sanctioned or encouraged such use thereof to insure his election. The legal effect of such personal guilt of the sitting member on his election your committee do not decide, some members being of opinion that whether it extended to the corruption of the majority of the nominating caucus or the majority of the Legislature of the State which secured his election is immaterial. The trial of the validity of his title or on the question of his expulsion, as the single personal act of bribery or other corrupt use of money by the sitting member, as stated, to procure his election, would be sufficient, in the opinion of some of us, to invalidate the title he claims to have acquired, and would justify his expulsion from the Senate.

Your committee are also of the opinion that, if the evidence fails to show that the sitting member was guilty of the bribery of any member of the caucus or the Legislature,

or had any personal knowledge or agency in the bribery, or the corrupt use of money to secure his election, then the Senate must be satisfied by legal evidence that a sufficient number of the members of the Legislature were bribed by the friends of the sitting member to secure the votes of enough members of the Legislature to insure his election, and that without the votes thus corruptly obtained the sitting member could not have been declared elected.

* * * * * * *

That Henry B. Payne has not been charged with having anything to do personally, or with having any personal knowledge of, connection with, or participation in any act, or anything that may have been done, or charged as having been done, that was wrong, criminal, immoral, or reprehensible in his election; that no member of your committee, and no witness, Representative, or other person, has expressed the opinion or intimated any belief or suspicion that Henry B. Payne is or was connected in the remotest degree, by act or knowledge, with anything that was or may have been wrong, or criminal, or immoral in his election.

A majority of your committee report that on the whole case, as presented to them, they recommend that the Senate make no further investigation of the charge involving the right of Henry B. Payne to his seat.

Seven of the committee, four Democrats and three Republicans, concurred in this report. Senators Hoar and Frye made a minority report, in which they say:

The Ohio Senate of 1883–'84 contained 33 members. Of these 22 were Democrats and 11 Republicans. The House contained 105 members, of which 60 were Democrats and 45 Republicans. The members entitled to vote on joint ballot were 138 in all, 82 Democrats, and 56 Republicans. Eighty-two persons were entitled to vote in the Democratic caucus, of whom 42 were a majority. Seventy-nine persons actually attended that caucus, of which 40 were a majority. Is there fair reason for instituting an inquiry whether the result of the election was procured by bribery? We think that the character of the persons making the

charge is of itself sufficient to require the Senate to listen to it. But they produce a great body of evidence, all pointing in the same direction.

We are not now to consider whether the case is proved, or even whether there be a *prima facie* case. There has as yet been no evidence laid before us addressed to either of these considerations. That cannot be done without the issue of process for the attendance of witnesses. Messrs. Little and Butterworth now offer, on their personal responsibility, to establish to the satisfaction of the Senate, largely by witnesses who were not within the reach of the Ohio committee, and partly by evidence which strengthens, supplements and confirms that which was before that committee, the following among other propositions:

First. That of the Democratic members elected to the Sixty-sixth General Assembly more than three-fourths were positively pledged to Mr. Pendleton and General Ward, and more than a majority pledged to Mr. Pendleton. This they offer to prove by Mr. Pendletom himself, by Col. W. A. Taylor, and others.

Second. That in these pledges these members represented the opinion and desire of their constituents.

Third. That Mr. Payne was nowhere spoken of or known as a candidate during the popular election or until a very short time before the appointment of Senator.

Fourth. That just before the legislative caucus, where the nomination was made, which was one week before the election, large sums of money were placed by Mr. Payne's son, and other near friends of his, at the control of the active managers of his canvass in Columbus. This they allege can be shown by the books of one or more banks.

Fifth. Mr. Payne's near friends declare that his election has cost very large sums.

A gentleman whose name is offered to be given will testify that David R. Paige declared to him that he had handled $65,000.

Oliver B. Paine stated to the same person that it had cost him $100,000 to elect his father.

Sixth. That the members of the Legislature who changed from Pendleton to Payne, did so after secret and

confidential interviews with the agents who had the disbursement of these moneys.

Seventh. That members of the Legislature who so suddenly changed their attitude can be proved to have, at about the time of the change, acquired large sums of money, of which they give no satisfactory account.

Eighth. Respectable Ohio Democrats affirm that just before the caucus the room of Mr. Payne's manager, Mr. Paige, "was like a banking house," the "evidence of large sums of money was abundant and conclusive," that Paige's clerk declared in the presence of a gentleman of integrity that "he had never seen so much money handled in his life."

Ninth. That the public belief that the choice of Senator was procured by the corrupt use of money prevails almost universally in Ohio among persons of both parties, which finds very general expression in the press.

Tenth. That there is specific proof leading with great force to the conclusion that each of ten members will be shown to have changed their votes corruptly, and thereby that the result was changed.

The Senate has also recently referred to the committee certain resolutions adopted by a convention of the Republican editors of Ohio, held at Columbus, July 8, 1886, praying the Senate to investigate these charges. The newspaper reports of the convention show that the Governor of the State was present at the convention, and declared his concurrence in said prayer. There have also been communicated to us extracts from the Democratic newspapers of Ohio, showing that a majority of those papers have declared their opinion that the election was procured by corruption. Copies of these extracts are appended.

What is the effect upon an election of Senator by bribery of voters in a caucus of Legislators who are to make the choice, is a question upon which we prefer not to form an opinion until the evidence is before us. The members of a caucus ordinarily deem themselves bound in honor to vote in the election for the person whom it nominates, by the vote of a majority, on condition that such person belong

to their party, and is fit for the office in point of character and ability. Bribery, therefore, which changes the result in the caucus, would ordinarily determine the election.

If B, C, and D have promised to vote as A shall vote, if A be corrupted, four votes are gained by the process, although B, C, and D be innocent. In looking, therefore, to see whether an election by the Legislature was procured or effected by bribery, it may be very important to discover whether that bribery procured the nomination of a caucus, whose action a majority of the Legislature were bound in honor to support. Seventy-nine persons attended the Senatorial caucus and voted on the first ballot. Of these Mr. Payne had the votes of 46, Ward 17, Pendleton 15, Booth 1. If six only of Mr. Payne's votes in the caucus were procured by bribery, the result of the election of Senator was clearly brought about by that means. Now, Messrs. Little and Butterworth tender specific proof, part of which was before the Ohio committee and part here offered for the first time, directly and very strongly tending to create the belief as to each of ten of the members of the Ohio Legislature that his vote for Mr. Payne was purchased, and that proper process and inquiry will establish the fact by competent and sufficient evidence.

One member, after the caucus, deposited $2,500 in two amounts, and being charged that it was the price of his vote did not persist in a denial.

In submitting their views the minority urged the following with great force:

It will hardly be doubted that cases of purchase of seats in the Senate will multiply rapidly under the decision proposed by the majority of the committee. The first great precedent to constitute the rule under this branch of law is to be this:

Held, By the Senate of the United States, that a charge made by the Legislature of a State, and by the committee of the political party to which the larger number of its citizens belong, and by ten of its Representatives in Congress, that an election of Senator was procured by bribery, accompanied by the offer to prove the fact, does not deserve the attention of the Senate.

The Senate, controlled by the Republican party, adopted the majority report and refused to proceed further with the matter. There seems to have been no dispute between the majority and the minority of the committee as to the facts in the case. They differed solely as to the propriety of further investigation and action. It is amazing to think that the rule laid down and its application in this particular case, has the deliberate sanction of a majority of both Republican and Democratic Senators. Should we be surprised that popular confidence has been shaken in the integrity of this body? The Ohio case does not stand alone. Almost every state in the Union has been cursed by the same shameless and corrupt use of money in Senatorial elections, and hence the now almost universal demand that the Senate shall be made elective by popular vote. The disinclination of the Senate to proceed with this case was well understood by the people, and the rule upon which the committee based its report was felt to be abhorrent to honesty, decency and common-sense. When it is once established by reliable evidence, that a single member who voted for the successful candidate, received or was offered money to cast his vote or use his influence, it should vitiate the election. There is neither safety nor propriety in any other rule. The position of the committee offers immunity to crime and bribery. It openly points out a way by which elections to the Senate can be secured by crime without the disagreeable apprehension of punishment. Even under the abominable rule of the committee, Mr. Payne should have been put upon his trial. It is clear that members were paid large sums to vote for him in the Ohio Legislative caucus; and both he and his managers were too smart to have expended the money if the votes were not necessary to nominate in the caucus and elect in the Legislature. Whatever may have been the doubts entertained by the Senate committee two years after the transaction, it is

certain that Mr. Payne's managers thought that they needed the votes at the time. For the complete history of this shameful case the reader is referred to Senate Report No. 1490, First Session, Forty-ninth Congress. But shocking and disgraceful as it is, it can be matched and duplicated in almost every state in this Union. We have selected this as a representative case. It taints both of the old parties. The Democratic as committing the felony and the Republican as concealing the crime. The present constitutional method of election is a lamentable failure and the situation cries aloud for reform. The time has come when the people should plat a whip of cords and scourge the promotors of bribery from the temple. They who buy will also sell, and the punishment for such betrayal of duty should be swift and relentless.

Such is the present status of the American Senate. Its fallen condition was not reached by a single bound. It is the result of growth, nurtured by an aristocratic and undemocratic method of selecting this class of public servants—a method which invites corruption and destroys in the person elected all sense of responsibility to the people.

THE REMEDY.

The cure for this frightful public affliction cannot be applied too quickly. It should consist of a plain amendment to the Constitution which shall provide for the election of the United States Senators by the direct vote of the people of the respective States. The writer had the honor to introduce into the Forty-sixth, Forty-ninth and Fiftieth congresses joint resolutions which provided for this method of selection. They were referred to the judiciary committee but were never reported to the House. In the Fiftieth Congress, Mr. Oates, from the Committee on the Revision of the Laws, reported favorably a joint resolution of this character but it was not acted upon. The machine managers of the decrepit old party organizations view every suggestion of change

with alarm. Like the worn out sluggard who is unwilling to rise with the dawn, they darken the windows of their habitations, draw down the curtains and shut out the light of day. Let them slumber. The chastisement of their sins is upon them and their dim eyes are turned toward the stygian shore. But the sun still shines, and a newer and more vigorous civilization will inhabit the land. We can expect nothing from the old, but should trust confidingly for many good things from the new. It was the youthful shepherd boy and not the rheumatic, jealous-hearted old Saul, who slew the Mighty Man of Gath. We may never expect a paralytic to compete for the first prize as an athlete. Truth always chooses its own champions. It is ever stronger than its defenders and more powerful than its foes.

Pending the tedious operation of amending the Constitution, the people can readily secure practical control over the election of their Senators by publicly nominating in each State, from time to time, the man of their choice, and by publicly pledging the Legislative candidates to vote for such nominees.

In the tremendous crisis which witnessed the dissolution and transformation of political parties in 1858–60, the people of Illinois flew to this method as to a rock of defense. Lincoln and Douglass were nominated for the Senate by their respective parties, and they met in joint debate before the people. Their audience was the civilized world. The people were mentally and morally equipped by that debate for the unprecedented and dreadful drama upon which the curtain was then destined soon to rise. The world lost nothing by that struggle of the giants. Civilization gained much. One of the parties of Illinois recently returned to this praiseworthy example. It should be the rule at all times in all the states. The industrial movement has taken up this reform as one of its cardinal tenets, and with unabated zeal will press it to a successful conclusion.

CHAPTER II.

THE SPEAKER.

The presiding officer of the British House of Commons is styled the Speaker—so called because he speaks in the name of the House; and hence the title was adopted here by the framers of the Government who had long been familiar with the organization of the English Commons.

In Great Britain, under the Tudors and Stuarts, the Speaker was chosen by the King and was the main instrument in his equipment of tyranny. For many years, however, this officer has been chosen by the House. At the opening of Parliament the Queen graciously invites the Commons to select a Speaker and they accordingly proceed to carry out the regal request. When the selection is made it is submitted to Her Majesty for approval. The royal assent has never been withheld, but the formality proves that it could be and hence in the mutation of human affairs, at some time it may be. The Speaker of the House of Commons receives a salary of £5,000 per annum, is *ex-officio* a Privy Councilor, and resides in a palace provided by the Government. When he retires from office he is supplied with an annuity of £4,000 during two lives. The Speaker has, of course, very great power, but his authority is circumscribed by the overshadowing influence of the Premier, who represents the the Ministry and hence the policy of the Government for the time being. The Speaker of the Commons cannot declare the House adjourned. This can only be done by a Member. In the matter of recognition when several Members rise at once and it becomes difficult to determine who shall proceed, the House decides who shall be recognized. The sequence

in debate is usually determined by the "Whips" rather than by the Speaker. This will strike the American reader as being peculiar. But the Whip has grown to be a very important adjunct of Parliamentary authority. He is a Member who has been empowered by his political friends to assemble or warn them at critical moments in legislative procedure. The Ministry have three Whips and the Opposition two.

From the organization of the First Congress of the United States, April 1, 1789, to the close of the Fifty-first Congress, March 4, 1891, thirty-one different persons filled the office of Speaker of the House of Representatives. The first incumbent was Frederick A. Muhlenburg, of Pennsylvania, and the last, Thomas B. Reed, of Maine. From the year 1789 to 1859, or from the First to the Thirty-fifth Congress, inclusive, twenty-two individuals occupied this important office. From 1860 to March 4, 1891, inclusive, nine different Speakers presided over the House.

During the first period, Henry Clay, of Kentucky, was six times chosen Speaker, which is the greatest honor ever accorded to any member of the American Congress. Next to this enviable record stands the name of Andrew Stevenson, of Virginia, who was four times chosen between 1827 and 1833. Since 1859 no one has held the Chair more than six years, or for three terms. Schuyler Colfax was Speaker from 1863 to 1869; James G. Blaine, from 1869 to 1875, and was succeeded by Michael C. Kerr, of Indiana, who died in August following his election, and was succeeded by Samuel J. Randall, of Pennsylvania, for the unexpired term. Mr. Randall was also chosen Speaker for the two succeeding Congresses, the Forty-fifth and Forty-sixth. He was succeeded by J. Warren Keiffer, of Ohio, who served during the Forty-seventh Congress. John G. Carlisle, of Kentucky, next succeeded to the Chair and served during the Forty-

eighth, Forty-ninth and Fiftieth Congresses, and was succeeded by Thomas B. Reed, of Maine.

The Constitution provides for the election of Speaker by the House of Representatives. By the Act of Congress approved March 1, 1792, it was provided that in case of the death, resignation or inability of both President and Vice President, and in case there shall be no President *pro tempore* of the Senate, the Speaker of the House for the time being shall act as President until the disability be removed or a President shall be elected.

The power and influence of this great office have been but imperfectly understood by the Ameriean people; and even the great majority of men in public life have failed to comprehend its transcendent influence in governmental affairs. Through the force of tradition and precedent, in the course of the century it has been allowed to absorb about all the power of the House of Representatives as well as the independence of the individual members. Experience has shown that when a majority of the members unite in elevating one of their number to preside over the House, they are likely to be largely controlled by his opinions if not by his will in matters of legislation. This majority is always reinforced by a large number of members who belong to the minority, but who desire to secure the favor of the Speaker. The cause of this subserviency will appear as we proceed.

Paragraph I, of Rule X, of the House of Representatives provides that unless otherwise specially ordered by the House, the Speaker shall appoint, at the commencement of each Congress, the standing committees. Paragraph II of the same Rule authorizes him to appoint all select committees which may be ordered by the House from time to time.

While this rule contemplates that the House may, if it so desire, provide other methods of selecting the committees, yet in point of fact it never does otherwise order, and the power to appoint remains unquestioned and is invariably exercised by the Speaker.

We have said that Rule X authorized the Speaker to appoint the committees, but in fact the House, at the commencement of Congress, has no Rules. True, the Rules of the old Congress are in print, but they are not vital, for they perish with the House which adopted them. The new Congress enters upon its duties untrammeled, and can, in fact does, adopt its own Rules. Until a motion is made and adopted to make the Rules of the preceding House the Rules of the House then in session, the old Rules are without force, and the body is simply under the restraint of general parliamentary law. Hence, in its last analysis, we find that the power accorded to the Speaker to appoint the committees is the result of custom rather than of law. But, however derived, it is a fearful power to lodge in the hands of any one man. The Speaker must be chosen from among the Members. He comes from a district of prescribed limits, and a thousand considerations, both trivial and important, some of public and others of a private character, contributed to his election. The range of his mental vision may be circumscribed, or his judgment blurred and marred by the local surroundings peculiar to his district, or he may be entirely free from all bias whatever. The thought we wish to bring out is this: Why, beyond the point of absolute necessity, should one Member be clothed with the power which clearly belongs to the whole body collectively? It cannot be said that the wisdom of the one is superior to the judgment of the whole body united; nor can it be claimed that anything can be gained in the line of purity of purpose. You have not fortified the House

against corrupt influences and the seductive power of wealth; on the contrary, you have concentrated all the vicious forces of public life against a single individual and exposed the Republic to extreme peril.

All who are acquainted with legislative history know that the danger of the abuse of power is very great, even when the authority of the speaker is reduced to the lowest point compatible with the orderly dispatch of business, and the peril is increased as more power is conferred. The power to appoint the committees now conceded to the Speaker practically confides all legislation to his hands. It makes him an autocrat and enables him to mould legislation, stifle public sentiment, thwart the will of the majority and defy the wishes of the people. It is a matter of common occurrence for the most important committees to be made up in opposition to the sentiments of a majority of the House, and even in opposition to the known views of a majority of the Members who belong to the Speaker's own party. This has been notably true during the past twenty years. A Majority of the members of the House have at various times during this period, been in favor of the unrestricted coinage of silver, and during the time that the House has been under the control of the Democratic party, a majority of the Members who belonged to that party have clearly been in favor of unrestricted coinage, and yet the committee on Coinage, Weights and Measures has through all these years, except in the Forty-fifth Congress, been packed solidly against the measure. Take as an example three important committees, Banking and Currency, Coinage, Weights and Measures, and the committee on the Pacific railroads. It is entirely safe to say that during this whole period, with the one exception named, these committees have never fairly represented public sentiment upon the important questions over which

they have jurisdiction. They have been in most instances constructed out of harmony with the wishes of a majority of the House, and many times in opposition to the known wishes of a majority of the Members who placed the Speaker in the chair. And yet the House has uniformly submitted to the humilliation. From Congress to Congress, and from decade to decade, this farce is perpetrated before the eyes of the people; and even now this method by which a few circumvent the will of the majority is but little understood. Public sentiment is not observed. It is uniformly defied. The object among our so-called statesmen seems to be to explore and ascertain the utmost limits and boundaries of public forbearance. Distrust of the people is apparent throughout all the stages of legislation. The wealthy and powerful gain a ready hearing; but the plodding, suffering, un-organized complaining multitude are spurned and derided. No respect whatever is paid to public opinion which sends the member to the National Congress. If he is not in accord with the Speaker's ideas of public policy, although he may be burning with desire to make known the wishes of his constituents and to take the advice of the House upon them; yet he is purposely placed at the tail end of the most unimportant committees known to the body, committees which have nothing whatever to do with the great questions upon which he was elected. The people of his district may have given him a hearing, past upon his theories, approved of them and sent him to Congress to proclaim them to the Nation; yet one man from another District who happens to have been chosen Speaker, claims the right to declare that the Member shall be muzzled, that he shall be placed under ban and his theories, without a hearing, declared to be forbidden fruit. Perhaps the ideas of public policy entertained by the Speaker are the identical views which were rejected by the

people of the district in question. No matter, the petty tyrant must be permitted to practice his black art, the fetish must not be profaned. Nor is this proscription exercised exclusively against Members of opposing parties. In every Congress it is applied with the same relentlessness to Members of the Speaker's own party who may differ with him concerning questions of public policy.

In the year 1878, twelve Independents were elected to the Forty-sixth Congress upon certain economic questions. The leading contentions presented by these gentlemen were the Abolition of the National banks, Free coinage of silver, Increase of the currency by the issue of Legal Tender Treasury notes, and the strict Control of transportation monopolies. They had presented these important issues squarely to the people in their respective districts and had been triumphantly elected against great odds. The following are their names: George W. Jones, of Texas, William M. Lowe, of Alabama, Gilbert De LaMatyr, of Indiana, Thompson H. Murch and Geo. W. Ladd, of Maine, Seth H. Yocum and Hendrick B. Wright, of Pennsylvania. Nicholas Ford, of Missouri, Daniel L. Russell, of North Carolina, Albert P. Forsythe, of Illinois, Edward H. Gillette and James B. Weaver, of Iowa.

A. E. Stevenson, of Illinois, and William D. Kelley, of Pennsylvania, were closely allied with the twelve, were mainly in sympathy with their views of public policy and voted for their nominee for Speaker, but did not claim to be members of the new party. This was largely true, also, of Hendrick B. Wright, although he remained out of the Democratic caucus and permitted his name to be used as the candidate of the third party.

The gentlemen above named represented the protest of the producers of wealth against the abominable economic policy of the old parties, which had just convulsed the

country with panic, and plunged the industrial portion of the people headlong into poverty and disaster.

The Democrats had control of the House and organized by the election of Samuel J. Randall, of Pennsylvania, as Speaker. He received 144 votes against 125 for James A. Garfield, of Ohio, the Republican candidate, 13 for Hendrick B. Wright, of Pennsylvania, the candidate of the National Greenback party, and 1 vote for William D. Kelley. The whole number of Members elected to this Congress was 303. Hence it will be seen that although Mr. Randall received a majority of all the votes cast, he fell eight votes short of having a majority of the members elect. The point that a majority of all the Members elect was necessary to a choice was raised by Mr. Conger, of Michigan, but the Clerk of the House, Mr. Geo. W. Adams, ruled that a majority of a Quorum voting could lawfully elect the Speaker. This now seems to be the settled construction of the law.

The Speaker was elected and the Members sworn in on the 18th day of March, 1878, but the committees were not announced until April 11th—a lapse of twenty-five days.

Soon after the third party contingent made its appearance in Washington, it became apparent that the Representatives of that party were to meet with but little consideration from those who controlled the proceedings of the House. Important questions affecting the financial policy of the Government and the disposition to be made of nearly $800,000,000 of public debt, and in fact the whole range of fiscal matters, would be up for consideration during the session; but the managers of the two old parties had settled lines of policy which were essentially alike concerning these measures, and differing only in the degree of their devotion to the interests of the capitalistic classes. No serious interference was to be permitted from any quarter.

The Democrats had control of both branches of Congress for the first time since the close of the war. Fernando Wood, of New York, who was made chairman of the House Committee on Ways and Means, had prepared a bill which provided for the funding of the above named portion of the public debt for forty years. Mr. Garfield had a substitute making the period fifty years. A Presidential campaign was just ahead and the desire to secure the support of the money power, had evoked a spirit of rivalry between the leaders of the old parties which was as instructive to the whole country as it was disgusting to patriotic people. The leaders of both would scheme in the committee rooms in favor of the monopolies and the money kings, and then daily emerge into the arena of the House and quarrel and rave like maniacs over sectional matters. Almost every day witnessed the war-dance in which the chiefs would exhibit the ghastly scalps they had taken and lay bare the wounds inflicted during the war. You could never tell when the paroxisms were to come on. They would burst forth at the most inopportune periods. Pandemonium reigned throughout the extra session and was resumed with renewed fury when the House convened regularly the following December.

The Greenback contingent determined to make a bold stand for the people, and to place their banner above the angry storm of sectionalism which was everywhere howling about them. To this end they resolved first, to oppose with all the power at their command all attempts to fund the debt, and second, to force the House upon record upon the following questions: The abolition of the National banks, the issue of an adequate supply of Legal Tender treasury notes, and the policy of the unrestricted Coinage of silver. Under the rule then in force it was proper for any member on Monday, after the Journal had been read and approved,

if he could secure the recognition of the Chair, to move to suspend the Rules and place upon its passage any bill or resolution which he might desire to offer. Accordingly, on the first Monday in January, 1880, the writer drafted the following resolutions, and asked to be recognized to move a suspension of the Rules in order to place them immediately upon their passage:

Resolved, That it is the sense of this House that all currency, whether metalic or paper, necessary for the use and convenience of the people, should be issued and its volume controlled by the Government, and not by or through the banking corporations of the country; and when so issued should be a full legal tender in payment of all debts, public and private.

Resolved, That, in the judgment of this House, that portion of the interest-bearing debt of the United States which shall become redeemable in the year 1881, or prior thereto. being in amount $782,000,000, should not be refunded beyond the power of the Government to call in said obligations and pay them at any time, but should be paid as rapidly as possible, and according to contract. To enable the Government to meet these obligations, the mints of the United States should be operated to their full capacity in the coinage of Standard Silver Dollars, and such other coinage as the business interests of the country may require.

Recognition was refused and the House adjourned in hot haste. On the following Monday the attempt to secure recognition from the Speaker was followed with like results. For thirteen weeks (three months) the struggle went on. After a few weeks of fruitless effort, the resolutions got into the papers and began to attract very wide attention. Crowds began to throng the galleries on Mondays, and the metropolitan newspapers were full of criticisms upon the aggravating perseverance of the author of the resolutions. The Speaker was overwhelmed with correspondence touching the matter, many praising him for

his firmness and others denouncing him as a tyrant worthy of death. Prominent caricaturists were employed by the monopoly organs to fill the illustrated weeklies with gross and uncomplimentary exaggerations of the author and the scope of his resolutions. The imaginative genius of Nast was called upon to swell the volume of misrepresentation and ridicule. The resolutions had by this time attracted universal notice. Everybody read them and wondered why they should meet with such fierce denunciation. Finally on March 6, 1880, *Harper's Weekly*, came out with a full page scurrillous travesty, representing the writer as a donkey, braying to the utter consternation of the House. The Speaker was represented as standing with his back to the author of the resolutions, members as holding their hands over their ears, others as endeavoring to crawl under the desks, and the Mace as having been blown violently from the hands of the Sergeant-at-Arms while he was vainly attempting to hide from the storm. A *fac simile* of this caricature will be found at the close of this chapter.

When my attention was called to the publication I resolved to make the best possible use of it. A copy was procured and safely deposited in my desk. When Monday came I again addressed the Chair for recognition, and was refused. I then rose to a question of privilege, which, under the Rules, the Speaker was not at liberty to ignore. The Chair bade me state it. Holding up a copy of *Harper's*, containing the caricature, I called attention to the fact that a leading journal of the country had grossly slandered the Speaker. That it represented him as standing with his back to me, when in fact the most that he had ever done was to shut his eyes. At this juncture the following colloquy occurred:

The Speaker: The gentleman from Iowa will address himself to the question of privilege, and not to the picture.

Mr. Garfield, (addressing Mr. Weaver): Which figure represents yourself and which the Speaker?

Mr. Weaver: I am represented by the one with long ears. Does not the gentleman know that Balaam's ass saw the angel in the way before his rider did? All Bible readers understand it perfectly.

The Speaker demanded order, which was, after awhile, restored, and the struggle was passed for another week.

Notwithstanding the protracted struggle over these resolutions the personal relations between their author and the Speaker were always cordial and friendly. Mr. Randall stated privately that his party did not, in the face of a Presidential election, wish to be placed upon record on what they regarded as mere abstractions, and for that reason recognition had been withheld.

Finally about the first of April, it became apparent that the long contest would soon close. Rumors that recognition would be conceded on the following Monday obtained among the Members and it was evident that the intimation had been given out by the Speaker himself. Then another dilemma presented itself. Under the rules a yea and nay vote could not be secured unless demanded by at least thirty members. As there were but thirteen of the National party in the House, the outlook for a record of the vote was exceedingly dark. In this emergency we went to Mr. Garfield and called attention to the fact that on the following Monday a vote would be taken. We stated that the Republican party was already on record against every proposition contained in the resolutions. That the Democratic Members, when at home, generally favored the propositions but always fought shy of them after reaching Washington. We asked him if he could not, in view of these facts, assist in securing a yea and nay vote? He replied that he would consult with his colleagues and give us an answer that afternoon. In the course of an hour he

reported that his side of the House would join in the demand for a record of the vote. On the following Monday, April 5, I was recognized, made the necessary motion to suspend the rules and demanded that the vote be taken by yeas and nays. Upon statement of the demand by the Chair the Greenback members, General Ewing, of Ohio, and Mr. Tillman, of South Carolina, rose to their feet followed by the entire Republican side of the House. The yeas and nays were accordingly ordered. With the exception of General Ewing, Mr. Tillman, and possibly one or two others, every Democrat left the hall and repaired to the cloak rooms for consultation. On the first call of the roll but three or four Democrats responded, while the Republicans, with the exception of Belford, of Colorado, voted solidly in the negative. On the second call of the roll there were eighty-four ayes, and one hundred and seventeen noes. Not voting, 91. The yeas consisted of 11 Greenbackers, including Stevenson and Kelly, one Republican, Mr. Belford, and seventy-two Democrats, mostly from the South and West. The nays were composed of a solid Republican vote, with the exceptions stated, reinforced by eastern and middle states Democrats. Messrs Wright and Yocum were unavoidably absent, but paired in favor of the resolutions.

We have given this memorable battle somewhat in detail for the reason that we regard it as the great initial struggle of the mighty movement now in progress throughout the Republic. The resolutions over which the protracted contest arose embodied the very essence and marrow of the vigorous contention presented by organized labor at the present time.

The Speaker should always be selected with reference to his views of public policy, but it is never any part of his duty to play the tyrant. It is not his province to originate

political creeds, but to represent and to assist the law-making body to faithfully reflect the will of the great constituency. If nominated by a caucus, that caucus should have some test of membership besides that of mere party name. Every sensible person knows that a man may be an eminent and devoted Democrat or Republican, be entirely loyal to his party, and yet the world be profoundly ignorant concerning his views upon the most important questions of public concern. He may be the most pliant tool of monopoly and still be an acceptable and an unusually influential member of either of said parties. It is well known that one of these parties has had no test of membership since the days of Jackson, and that the other has had none since the death of Lincoln. All that is necessary to become a member of either is to take upon yourself the party name. If you will but do that, you may retain your own notions of public affairs. Under this state of facts men holding to antagonistic creeds and policies unite in electing a Speaker, and in every such instance the people are crucified. The party is served but the country is betrayed. The organization is triumphant but human rights are placed at the mercy of the time-server and the tyrant.

The writer served in Congress under the Speakership of Mr. Randall and Mr. Carlisle. These eminent gentlemen, ranking equal in ability to any who have ever filled the Chair, were as wide apart as the poles upon what they regarded as the supreme question of the period, Mr. Randall was an ultra-protectionist, while Mr. Carlisle favored a tariff for revenue, with strong leanings toward free trade as soon as that policy can be safely reached. Both were Democrats and met in caucus upon terms of perfect equality. The monometalists and the bi-metalists, the bank men and the anti-bank men, monopolists and anti-

monopolists, those who favored trusts and those who abhorred and would uproot them, the sharper from Wall street and the inexperienced Member from the rural district—all met in the same caucus, all were Democrats, and they united in selecting the man of their choice for Speaker, taking especial care not to provoke a disclosure on his part of anything that he believed concerning public matters.

Parties which have no test of membership and caucuses which have no test of admission to their councils, are an abomination and they exist only for evil.

It would more nearly comport with the dignity and character of our chief law-making body if the assignment of Members to committees were made by a well-guarded special committee, selected by the House itself—a committee in which all parties and shades of opinion could be fairly represented. It is time the Speaker of the American House of Representatives should be shorn of his autocratic and unwarranted power.

SPEAKER REED'S RULE.

Article I, Section V, of the Constitution contains the following provision:

"Each House shall be the Judge of the Elections, Returns and qualifications of its own Members, and a Majority of each shall constitute a Quorum to do business; but a smaller number may adjourn from day to day, and may be authorized to compel the Attendance of absent Members, in such Manner, and under such penalties as each House may provide."

Clause I, of Rule VIII, is as follows:

"Every member shall be present within the hall of the House during its sittings unless excused or necessarily prevented; and shall vote on each question put, unless, on motion made before division or the commencement of the roll call and decided without debate, he shall be excused.

or unless he has a direct personal or pecuniary interest in the event of such question."

It has been uniformly held that a Quorum of the House consists of a majority of the Members chosen. And until the Fifty-first Congress it was further held that in order to constitute a Quorum a majority of the Members chosen must not only be present, but must participate in the vote, either for or against a proposition.

In the Fifty-first Congress it was held by Speaker Reed that a majority of the Members chosen, if present in the hall when the vote was being taken, constituted a Quorum, whether a majority of them voted or not. That if, under such circumstances, a minority only voted, it was sufficient to pass a measure; and he accordingly instructed the Clerk to enter upon the Journal the names of the Members present but not voting, and declared the bills passed. The House, by a strict party vote, afterwards formally adopted the Speaker's construction and made it one of the rules for that Congress. Much bitterness was evoked by this construction of the law. Public opinion, and even experienced Parliamentarians were greatly at sea concerning the matter.

It seems to the writer that careful reflection will show both the danger and the fallacy of Speaker Reed's construction. It is not required by the Constitution that a measure shall receive the affirmative vote of a majority of all the Members chosen in order that it shall pass. This rule generally obtains in State Assemblies under the peculiar provisions of their local Constitutions. But under the Constitution of the United States, a majority of a Quorum can pass a bill; and a Quorum is made up of both yeas and nays. Hence, under Speaker Reed's construction, if a bare Quorum be present, and but a minority vote in the affirmative, the others sitting mute, the bill is passed, even when the point that no Quorum has voted has been ex-

"LET HIM ROAR, MR SPEAKER."

"Greenback, the Weaver (from Iowa). 'I will sing, that they shall hear I am not afraid.'"

—*Harpers' Weekly*, March 6, 1880.

pressly raised. If, under the Constitution, the affirmative vote of a majority of the Members chosen were necessary to the passage of a bill, then those who are opposed to the measure could always vote with safety. But such is not the law; and the only way the opposition can, in critical junctures, supply this defect is to refuse to vote. Those who desire to pass a measure which others regard as of doubtful propriety, should see to it that it has the affirmative support of a majority of all the Members chosen. If Mr. Reed's position be correct, one-fourth of the 333 members chosen to the present Congress (Fifty-second), can lawfully legislate. One hundred and sixty-seven of this number constitute a Quorum to do business. Hence, 84 votes being the majority of a Quorum, although but a fraction over one-fourth of the Members chosen can, if 167 Members all told are at the time simply present in the hall, pass a bill, however vicious or important. And if 84 can lawfully legislate when the record shows that less than a Quorum have voted, why may not any number, however small, do so under like circumstances? The contention of Speaker Reed is clearly unconstitutional and subversive of the independence of the Members. It is equivalent to clothing the Speaker with the power of casting the vote of the delinquent Representative.

It is conceded to be the plain duty of each Member to be present in the hall during the sittings of the House, and Rule 8, provides that each shall vote unless excused for the reasons stated. The rule was always a dead letter, for the reason that it could not, and in the opinion of the House ought not, to be inforced. In the course of business it often becomes the duty of a conscientious Member not to vote, the rule to the contrary notwithstanding. Indeed, he cannot do so without aiding the passage of bills which his sense of duty tells him should be defeated. Let us illus-

trate: A pernicious measure is put upon its passage. The Member and his constituents regard it as positively vicious. A bare Quorum is present, a majority of which favors the bill. If a Quorum vote, a majority yea and the minority nay, the bill is passed. In such instances a nay vote operates to pass the bill. That is to say, the negative vote helps to make the Quorum, a majority of which secures the passage of the measure. To all intents and purposes the Member had as well voted yea. This is the old subterfuge that has been resorted to from time immemorial when a cunning Member really desired a bad measure to pass, and wished at the same time to keep his record straight before his constituents. Under such circumstances it will be readily seen that it becomes the duty of the Member to refrain from voting. His responsibility is to his constituents and not to the House or the Speaker. Under Mr. Reed's rule, the simple discharge of his duty to be always present may aid in the passage of any measure, whether good or bad.

It is not probable that this innovation upon the settled practice of the Century will ever again be adopted by the House of Representatives. It is easy enough to prescribe Rules which will restrain and limit the use of dilatory motions, without infracting the Constitution or destroying the independence of the Representative.

CHAPTER III.

THE SUPREME COURT.

In all ages of the world, from the earliest rudimentary organizations of society to the most powerful Nations of modern times, the Judicial power has been one of the most interesting and important features of human Government. Citizenship would be a delusion, personal security a myth, and the possession of private property but an invitation to pillage, were it not for the fidelity and incorruptibility of the Courts of justice. But it is not alone essential that our courts shall be pure in fact. The people must have an abiding faith in their integrity. Society becomes insecure in proportion as popular confidence is shaken in this respect. Deeply sensible of this important truth, it shall be our purpose to avoid all unnecessary criticism of the Federal Judiciary; but where, in our judgment, warning seems to be necessary, we shall endeavor to speak with proper temper, but nevertheless fearlessly and without reserve. Inasmuch as the judicial power is co-ordinate with the other departments of Government, the method of selecting the members of the Court is of the highest importance.

For a period of four hundred years, in ancient Rome, the Prætor was chosen annually by the people, but the choice was restricted to the patrician order. At the close of the fourth century the office became accessible to the plebeians. In the ancient kingdom of Aragon the Justices were at first appointed and removed by the King at pleasure. But abuses of power were frequent, and hence, by a statute of Alphonso V. in 1442, it was provided that the Justices should continue in office during life, removable only on

sufficient cause by the King and the Cortes united. (Prescott's Ferdinand and Isabella, I Vol., 108.)

The English judges for centuries held their seats at the pleasure of the Crown. This is the case with the Lord Chancellor at the present day. But since William III. the Judges, following the Aragonese example, have held their places during good behavior, though subject to be removed upon the address of both houses of Parliament. This example has been followed by other Nations in Europe and was, as we shall see, after being stripped of its only redeeming feature, engrafted upon our American Judiciary.

More than four hundred years have passed away since Alphonso was king of Aragon. America, the lost Atlantis, had not then been found; the art of printing, which has since transformed the world, had but just been discovered by Coster (1420–26). Guttenberg had not yet printed his Bible; nor had the now effulgent era of universal enlightenment, ushered in by the marvelous growth of printing, as yet dawned upon mankind. The American Declaration of Independence was not given to the world for more than three-quarters of a century after the accession of William III. A succession of eight Sovereigns have occupied the British throne since his day, and the last one has worn the crown for more than half a century. In the time of William the world knew nothing of the application of steam as a moving power, and all that was known of the telegraph was the vague hint of Gallileo, that there was a secret art by which persons distantly separated might converse with one another. Man is no longer the fierce, ungovernable being that he was four hundred, or even two hundred years ago. His manifold triumphs in science, in the useful arts, and in the domain of thought, have enabled him to achieve the greater victory over himself. He has become self-reliant, independent and generally law-abiding.

The peculiar condition of society which existed in Aragon in 1442, and in Briton the latter part of the seventeenth century, doubtless justified both the method of selecting the judges and the tenure by which they held their offices. The autocratic spirit among the reigning families was then a devouring flame. The spirit of violence was universal and pervaded the whole body of the people in every part of the old world, whilst popular virtue and intelligence were at zero. Under such conditions the life tenure was the only refuge from the fierce and brutal tyranny of the crown on the one side, and lawlessness among the masses on the other. But the spirit of Christianity has done its work, and there is now no good reason why enlightened America should longer follow these ancient examples drawn from the blood-stained annals of the remote past.

Why should the American judiciary of to-day be exempted from elective control or hold their position for life? The idea was adopted in the old world, not because it was free from objection, but because it was less objectionable than any other under the peculiar circumstances by which they were environed. The conditions which called for these so-called safeguards have vanished even there; but the evils inherent in the system still remain both here and abroad to curse mankind and imperil the safety of society. It is not probable that any representative body of men, chosen by the people of the United States to-day, would seriously entertain a proposition to grant to our Supreme Court the powers now claimed by that tribunal. Nor would they for a moment think of appointing the judges for life. The growth of plutocratic spirit, the rapid rise of corporate influence, and the varied experiences of a Century under our Constitution, would imperatively forbid it. Power must of course be confided to human hands, but it is constantly subject to abuse. Those who exercise it

should always be under the restraint of those from whom it was derived. Elective control is the only safeguard of liberty. If the history of the republics of the earth has in store for our race a single lesson of value, it is this.

The learned Chancellor Kent, in his great work on American law, attempts to justify the mode by which we select our Federal Judiciary and the tenure by which they hold their seats, by resorting to the following bit of casuistry: "But all plans of Government which suppose the people will always act with wisdom and integrity are plainly eutopian and contrary to uniform experience. Governments must be formed for man as he is, and not as he would be if he were free from vice!" It does not seem to have occurred to the learned jurist that it is equally contrary to experience and fully as eutopian to suppose that our judges appointed for life will always act with wisdom and prudence. It is quite as important that Government should be formed for the judge as he is and not for the judge as he would be if he were free from the vices and passions incident to human nature. Besides, the people must touch their Government at some point; and is it not probable that they would act with as much wisdom and prudence in selecting their Judiciary, were they permitted to do so, as they now do in selecting those with whom the appointing power is to reside?

Our Federal Judicial system is remarkable and anomalous. It is lifted above both State and Federal governments, and is not responsible to either except in matters of personal misbehavior, or malfeasance in office, to an extent that would render the individual judges liable to impeachment. Their method of appointment, freedom from responsibility, life tenure of office, exemption from the ordinary struggles common to human nature in the battle for bread, their arbitrary and extraordinary power, tend, in this day and age,

to separate them entirely from the great body of the people and to impart growth and vigor to all the dangerous elements of human nature.

The Executive never consults popular sentiment in making his nominations. In practice it is rarely ever known who is to be chosen until the official notification is sent in to the Senate. When that body and the Executive are in political accord, confirmation, as a rule, follows quickly. When once confirmed, the wisdom of the appointment can never be reviewed. A member of this Court, appointed at the age of forty-five and serving until he is seventy, will witness twelve complete changes in the House of Representatives, four in the Senate, and six in the Executive. A whole generation may live, suffer and pass from the stage of action before the wrong inflicted by a bad appointment can be corrected, unless the legislative arm shall interpose. How strange that just at the point where we lodge the greatest power we should sever all connection with the people, who are the embodiment of Sovereignty and the fountain of all authority. We shall learn before we reach the close of this chapter that it is quite as important that popular liberty and the peace of society shall be protected from the inconsiderate, incompetent, rash and tyrannical tendencies inherent in our Court of Last resort, as it is that we should establish safeguards against the encroachments and infidelity of any other class of public servants.

The Government of the United States is composed of three co-ordinate branches, Legislative, Executive and Judicial. But the Legislative is sub-divided into two independent bodies—the Senate and the House of Representatives. To speak accurately then, Sovereignty with us has been divided into four parts, represented by the House, the Senate, the Executive and the Judiciary. It is a startling fact that the people are only permitted to directly

elect one out of the four, the House, while the other three-fourths are exempt from elective control and popular supervision. Should the reader insist that the Executive is chosen in fact, though not in form, by the people, the following figures will serve to fully dispel that illusion: In 1844 Polk received less than fifty per cent of the popular vote, but 62 per cent of the Electoral vote. In 1848 Gen. Taylor received 47 per cent of the popular vote and 56 per cent of the Electoral vote. In 1852 Mr. Pierce received a small majority on the popular vote and 85 per cent of the Electoral vote. Mr. Buchanan in 1856 received but 45 per cent of the popular vote and 59 per cent of the Electoral vote. Mr. Lincoln received in 1860, 40 per cent of the popular vote and 59 per cent of the Electoral vote. In 1864 he received 55 per cent of the popular vote and 91 per cent of the Electoral vote. Gen. Grant in 1868, had 57 per cent, and in 1872, 55 per cent; while in his first election he had 73 per cent and in his second 81 per cent of the Electoral vote. In 1876 Hayes had 49 per cent of the popular vote and 50½ per cent of the Electoral vote. Gen. Garfield had barely a majority of the popular vote but 60 per cent of the Electoral vote. Mr. Cleveland had 48¾ per cent of the popular vote and 54¾ per cent of the Electoral vote. President Harrison had a fraction over 48 per cent of the popular vote and 58¼ per cent of the Electoral vote. Prior to the year 1824 the Presidential electors were not chosen by the people but were selected by the State Legislatures, and since that time, as the reader is well aware, in a large majority of instances, the candidates selected for the Chief Magistracy by the National conventions of the old established parties, are generally designated by a few skillful manipulators, after an understanding has been reached that the selection of the particular candidate will inure to the special benefit of the combination,

and not because of the fitness of the candidate for the high duties of the office. So the fact remains beyond dispute that under our present system, three out of the four subdivisions of Government are practically placed beyond the control of the multitude. It is creditable to the corporations, that at every election for Members of the House of Representatives, they show some willingness to run an even race to see whether they or the people shall control the remaining one-fourth.

Let us now proceed to inquire closely into the practical operation of our Judicial system and see if any dangerous tendencies have manifested themselves during the Century in which it has been upon trial.

DANGEROUS ASSUMPTION OF POWER.

Under the kingly prerogatives of our Supreme Court, which will never willingly be surrendered, Congress may enact a law and, after the fullest consultation with his Constitutional advisers, the Executive may give it his approval, and yet a majority of the Judges of the Supreme Court may, and often do, assume to declare the joint and solemn act of the National Legislature and of the Executive to be null and void. The fact that both branches of Congress acting separately, the Executive and his Cabinet and the great body of the people before whom it may have been discussed, have reached a different conclusion, does not in the least deter the Court from the exercise of this power. It was the boast of our fathers, as it has been the pride of their children, that we had gotten rid of that cruel fallacy of kingcraft—"the King can do no wrong." But it seems that we have incarnated it, clothed it with the Ermine and given it an abiding place in our Federal Judiciary.

The first term of the Supreme Court was held in New York, then the seat of the Federal Government, in the month of February, 1790. As early as 1792, some of the

Circuit judges had refused to comply with an early act of Congress, directing the Secretary of War to place upon the pension list the names of such disabled officers and soldiers as should be reported to him by the Circuit courts. The judges deemed the act unconstitutional and refused to certify the names of the soldiers. But in 1803, in the case of *Marbury vs. Jas. Madison*, the whole question of the authority of the court to declare an Act of Congress unconstitutional was elaborately reviewed by Chief Justice Marshall, who pronounced the unanimous opinion of the court. The question was with regard to a provision of the Act of Congress establishing the judicial system of the United States, which clothed the Supreme Court with authority to issue writs of mandamus to public officers. The object sought to be accomplished in this particular case was to compel James Madison, then Secretary of State, to deliver to Marbury his commission as justice of the peace, which had been signed by Thomas Jefferson, President of the United States, and placed in Mr. Madison's hands for delivery to Marbury, delivery having been refused for some reason. The learned Chief Justice declared that it was the prerogative and the duty of the Court to pass upon the constitutionality of the Acts of Congress, when properly raised, and then held that the act in question was repugnant to the Constitution and therefore void. This early decision has been followed uniformly through subsequent years in a great variety of cases, until at present the power of the Court in this respect seems to be no longer questioned. It is now *imperium in imperio*. The better doctrine, that the co-ordinate branches of the government are independent, possessing the right to interpret the Constitution for themselves, seems to have lost favor with both bar and bench. The safety of our modern progressive civilization calls aloud for a return to this construction of our funda-

mental law, or at least for some modification of present judicial pretensions.

The Federal Judiciary is co-ordinate, but should not be regarded as superior in authority to the other departments of Government. This is the only safe cannon of interpretation.

Mr. Jefferson, as late as September 28, 1820, in a letter written to Mr. Jarvis, denies in the most emphatic manner that the framers of the Constitution ever intended or ever did clothe the Supreme Court with any such power, and claimed that the exercise of such authority was a gross usurpation. He says:

"You seem to consider the judges the ultimate arbiters of all constitutional questions; a very dangerous doctrine indeed, and one which would place us under the despotism of an oligarchy. Our judges are as honest as other men and not more so. They have, with others, the same passion for party, for power and the privilege of their corps. Their maxim is "*boni judicis est ampliare jurisdictionem*," and their power the more dangerous as they are in office for life, and not responsible, as the other functionaries are, to the elective control. The Constitution has enacted no such single tribunal, knowing that to whatever hands confided, with the corruption of time and party its members would become despots." (Vol. 7, page 177, of Jefferson's Correspondence.)

This distinguished statesman and philosopher further declares that the people themselves are the only safe depository of the ultimate powers of society, and that in case either the Legislative or Executive functionaries act unconstitutionally, the people can rectify the abuse through the force of public opinion and at the ballot box.

President Jackson vigorously asserted the same doctrine in his message vetoing the bill to re-charter the United States Bank. The friends of the Bank claimed that the constitutionality of the measure had been settled in their

favor by a decision of the Supreme Court; that the question of expediency alone remained, concerning which the judgment of Congress must be held to be conclusive. The bill passed both branches of Congress by very decided majorities, but met with a prompt veto from the Executive and failed to become a law. Among the reasons given by President Jackson to justify the Executive action was the unconstitutionality of the proposed legislation. As to the conclusiveness of the decision of the Supreme Court upon the question, the President says: "The Congress, the Executive and the Court, must each for itself be guided by its own opinion of the Constitution. * * * It is as much the duty of the House of Representatives, of the Senate and of the President, to decide upon the constitutionality of any bill or resolution which may be presented to them for passage or approval as it is of the Supreme Judges when it may be brought before them for judicial decision. The opinion of the Judges has no more authority over Congress than the opinion of Congress has over the Judges; and on that point the President is independent of both. The authority of the Supreme Court, must not, therefore, be permitted to control the Congress or the Executive, when acting in their legislative capacity, but to have only such influence as the force of their reasoning may deserve."

We believe that Jefferson and Jackson were sound in their contention, and this was the verdict of the people when they again elevated General Jackson to the Presidency at the succeeding election. The rugged utterances of these statesmen ring out to-day like a startling impeachment of our time. They comport with the dictates of enlightened judgment. There is enough in them to completely transform and re-invigorate our present suppliant and helpless state of public opinion. These declarations

were uttered in the purer days of the republic and before the various departments of Government had seriously felt the baleful and seductive influence of corporate wealth and power.

Inasmuch as this assumption of power by the Court is now the settled doctrine, the necessity for careful scrutiny on the part of the people touching the *personnel* of the court and the tendency of its decisions, should be apparent to all. Children do not always inherit the rugged virtues of their ancestors, nor does it follow that a Court once distinguished for its thorough sympathy with human liberty will always remain in like hands.

Protracted and critical struggles among nations, and even between hostile dynasties or ruling families in the same country, always result not only in a general quickening of human understanding, but in developing men of unusual genius to whom is imparted the Divine gift of kindling anew the nobler aspirations of the race.

The mighty impulse imparted to parliamentary oratory in England during the struggles with Charles I, the uprising of the Commonwealth, under Cromwell, and the restoration of the monarchy, resulted during the subsequent reigns of George I and George II, as we are informed by Sir Archibald Alison, in giving to the world the transcendant talents of Walpole, Bolingbroke, Pulteney and Wyndham. This, however, was but the twilight. The resplendent noontide came with the accession of George III. During this reign there appeared a whole galaxy of stars who made the civilized world luminious with their matchless genius. As one English writer puts it, they addressed posterity as well as their own contemporaries. William Pitt stood at the head of this group. Next came his great rival, Mr. Fox; then Burke, Sheridan, Erskine, North, Weddeburn, Thurlow, Mansfield and Wilberforce. The new world felt

their power; the fires of patriotic ambition were kindled in America, and soon there sprang upon the theater of action here a host of great statesmen, orators, jurists and captains, who astonished the world by their genius, inspired it with their courage and enlightened it by their learning. The force of their character changed the march of human affairs. They set in motion a tidal wave that swept through all the avenues of modern life. The impetus given to modern civilization by George Washington, John Hancock, John and Samuel Adams, Thomas Jefferson, Patrick Henry, Benjamin Franklin, James Madison, George Mason, Alexander Hamilton, Robert and Gouveneur Morris, John Jay, John Marshall, the Pinkneys, and their com-patriots, will continue to thrill the hearts and quicken the courage of men as long as liberty is loved and tyranny hated. It is true that widely different schools of thought and theories of Government were represented among these men, and they differed radically about many things, yet the whole world must admire their rugged character and appreciate the inestimable value of their great services to mankind. They possessed the ability to destroy, and they startled the world by the use they made of it. But their great genius was shown in their constructive force, which was simply without a parallel.

Let us now proceed to other important considerations connected with this Tribunal. The members of this Court, as a rule, must necessarily be selected from among eminent members of the legal profession, actively engaged in practice, or chosen from among those who have been elevated to the District or Circuit bench or to judicial positions in the States. The number from whom the selections might be made is reduced one-half from party considerations to begin with. Hence the President, with whom the nominating power resides, is confined within very narrow limits

when he makes his selections, and he is still further restricted by other considerations, which may hinder or accelerate confirmation by the Senate.

For nearly a century two kindred inspirations held control of the legal profession in America. These baptisms of fire antedated our present structure of Government and filled the whole bar with an exalted ambition—first, to be eminent in the profession ordained to aid in the proper administration of justice; and second, to enter the halls of legislation where they might serve the people and assist in the construction of a real Republic, wherein the chief solicitude of all ages, liberty, fraternity and justice among men, should be both practicable and real.

At last, however, there came a falling away, and the relation of the legal profession to the public began to show signs of change. We shall not undertake to trace the decline, for both its cause and its history are within the recollection of most of the present generation. The unholy and lawless determination to acquire wealth and personal comfort at the expense of a weaker and less fortunate race, was the underlying spirit of slavery. The commercial and political importance of this institution soon became apparent and prominent. To be secure, its adherents contended that all branches of the Government should be controlled by the friends of that institution. Who will say that the contention was not logical? In fact such result was inevitable. It requires but a slight acquaintance with the history of our Federal judiciary to enable one to understand that when a given influence dominates the Legislative and Executive branches of the Government for any considerable period, the judiciary, even when free from external intrigue, is always brought into harmony with the influences which dominate the other co-ordinate branches. If the Legislative and Executive departments are held by a viril and rugged

condition of public sentiment to a faithful discharge of their duties, the danger of the abuse of power by our autocratic Court becomes remote. But all history shows that when evil and despotic influences control the former, the tyranny of the court suddenly becomes intolerable; and the more so, for the reason that the judges are not subject to popular control. The slave oligarchy intrenched itself in the Supreme Court. In 1860, five out of the eight occupants of that bench were from slave holding States, namely: Wayne, of Georgia; Taney, of Maryland; Catron, of Tennessee; Daniel, of Virginia, and Campbell, of Alabama; and that fact had as much influence, if not more, than any other in precipitating the tremendous crisis which followed. The slave interest sought to make the Dred Scott decision the rule of political action for the people and all departments of the Government. We need but glance at the great debates between Abraham Lincoln and Stephen A. Douglass, in 1858, and to recall the fierce political combats which took place in every part of the land between that date and the election of 1860, to understand the truth of the above statement. The people suddenly awoke to the fact that slavery had debauched the whole Government, including the Court of Last resort. In his great speech, delivered in reply to Mr. Douglass, at Springfield, Illinois, on the evening of July 17, 1858, Mr. Lincoln declared, "That one-half of Mr. Douglass' onslaught, and one-third of the entire plan of the campaign" grew out of the attitude of the Supreme Court.

In fine this tribunal had completely blocked the way to freedom and enjoined the further march of civilization in the new world. Legislation could not reach the difficulty. Popular elections could not, for the reason that the Court was non-elective and held by the life tenure; amendment of the Constitution was out of the question, because of the

attitude of the slave-holding states. There was no alternative but the sword. We shall not lift the curtain which hides that bloody drama from the gaze of the present generation. Let us hope that the atrocities connected with it may fade entirely from the memory of men and that the good evolved may flourish and bloom and fill the earth with blessing.

We shall now proceed to show that in the very midst of the struggle for the overthrow of the slave oligarchy, our institutions were assailed by another foe mightier than the former, equally cruel, wider in its field of operation, infinitely greater in wealth, and immeasurably more difficult to control. It will be readily understood that we allude to the sudden growth of corporate power and its attendant consequences.

ALARMING CHANGE IN THE SITUATION.

Consequent upon the growth of this power, the relation of the legal profession to the people and to the administration of public justice has undergone a frightful change within the past twenty years. The phenomenal growth and extension of corporate life, followed by the rapid concentration of wealth into a few hands, has lured the profession from its ancient paths, dampened its patriotic ardor, frozen the fountains of its eloquence, and diverted its attention from the ordinary emoluments of a laborious life and the meagre salaries of public positions, to the large and seductive rewards to be obtained in the service of monopolies, corporations, trusts, syndicates and combines. The strong men and great lights of the profession are, to a large extent, captured by these influences as fast as they rise above the dead level of mediocrity, and thus the public service, the profession and the people are degraded, while corporate influence is exalted. It is well

known also that very many universities, law colleges and other educational institutions of note have prominent railroad attorneys employed to instruct the youth of the country on corporation law, while many of our Chancellors and Regents are chosen from among the same class of minds. The dangers arising from this state of affairs are of the most serious character, and may well fill the public mind with gravest apprehension. The bench, both State and National, must be supplied from eminent members of the bar, and practically all the so-called distinguished members of the profession are in the service of the corporations. It does not necessarily follow that they are entitled to stand at the head by natural endowment, or mental and forensic training. They are given that position and hold it securely by the power of their clientage. The names of this class of attorneys are of course kept constantly before the appointing power. They are the Levites of the profession, set apart and consecrated expressly for service upon the Federal Bench, and are ever looking forward and yearning for promotion. How can we construct a safe building from unsound timber? When we shall most need it as a refuge from the storm, it will prove to be our greatest point of danger, and fall upon and crush us. The corporations are not only able to employ the ablest talent, but to back their attorneys with unlimited resources. They can enable them to travel at trifling expense, open to them the columns of the press, and grant them the free use of the telegraph to summon assistance at the critical moment. That these, and kindred influences, have thus been enabled for a score of years, to exercise almost unlimited control over the Legislative and Executive branches of the Government is too well established to be denied by intelligent and candid men. That they have made serious inroads upon every branch of our Judiciary, and are now stealthily making still

further and greater efforts to obtain complete and, as far as this generation is concerned, permanent control of our Court of Last resort, is a truth well known to all whose eyes and ears are open to what is going on about them. Indeed, it is believed that they have already practically accomplished their purpose.

A TALK WITH DAVID DAVIS.

Early in the month of June, 1880, and only a few days prior to the assembling of the nominating convention of the National party at Chicago, the Hon. David Davis, Hon. E. H. Gillette, and the writer, had a protracted conversation at Washington, concerning the political situation. Mr. Davis was then a member of the United States Senate from Illinois. Previous to entering that body he had served upon the Supreme Bench for a period of fifteen years. He was a conservative man of great ability, extensive experience and wide range of information. His opinions on all questions were judicially formed and cautiously expressed. In former years he had enjoyed the companionship of Mr. Lincoln, had been his law partner, was appointed by him in 1862 to the Supreme Bench, and was finally the executor of the martyred President's estate. Roscoe Conkling, in a speech delivered in the Senate, once said of him:

"When the Musselman prays he turns his face to Mecca. When I speak of the law I cannot resist the temptation to address myself to the most eminent and learned jurist in the Senate, a man who left the highest judicial tribunal in the world to give this body the honor of his presence and the benefit of his wisdom."

It was hoped that Judge Davis would consent to become the candidate of the third party for the Presidency, and such was the earnest desire of Mr. Gillette and the writer. Mr. Davis was aware of our preference for him, and the conference above alluded to was concerning that

matter. It occurred in one of the Committee rooms of the House of Representatives and lasted for about three hours. The Republican convention was then in session at Chicago, and the ballotting was in progress. Judge Davis opened the conversation by stating that he felt grateful for the mention of his name as the candidate of the industrial people, and was in accord with most of their purposes; but that he was not in a situation to accept the nomination and must decline, and we were instructed to see that his name was not placed before the convention. We plead with him to yield, but without avail. The matter of his candidacy being disposed of, the Judge proceeded to state his views of the situation. He said the people did not know, nor were they in a situation to understand the extreme perils which were impending over the Republic. "The rapid growth of corporate power, of all classes and grades," said he, "and their corrupting influence at the Seat of Government; their overshadowing influence among party managers, from county primaries to National Conventions, fill me with apprehension. No man is wise enough to foretell what the end will be." He then alluded to his long service upon the Supreme Bench, and said it was evident that the corporations were maturing their plans to gain complete control of the Supreme Court; that his extensive acquaintance with the great corporation lawyers and his daily contact with public men gave him a thorough knowledge of what was going on, and he remarked, "If I were "blind I could still hear enough to alarm me. It is not "lawful for me to utter many things which I have heard, "because I get them in my private and confidential rela- "tions every day; but this is my chief concern. If we lose "the Courts, we lose all." The Judge further stated that it evidently was the purpose in certain circles to overthrow the Legal Tender decision, the Thurman Act concerning

the Pacific Railroads, and the Grange decisions of 1876, and that he felt deeply concerned in consequence. These were not the words of an alarmist; on the contrary, they expressed the sober judgment of an eminent statesman and jurist, who had been upon the Supreme Bench himself for half a generation.

Let us now inquire whether the fears of Judge Davis were well founded. It will be remembered that the conversation which is substantially given above, occurred in June, 1880. Since that time the following changes in the *personnel* of the court have taken place: Nathan Clifford, of Maine, died in 1881, and was succeeded by Horace Gray, of Massachusetts. Noah H. Swayne, of Ohio, retired in 1881, and was succeeded by Stanley Matthews, of Ohio. Ward Hunt, of New York, retired in 1882, and was succeeded by Samuel Blacthford, of New York. William Strong, of Pennsylvania, resigned in 1880, and was succeeded by W. B. Woods, of Georgia, who died in 1887, and was succeeded by L. Q. C. Lamar, of Mississippi. Chief Justice Waite, of Ohio, died in 1888, and was succeeded by Chief Justice Fuller, of Illinois. Stanley Matthews, of Ohio, died in 1889, and was succeeded by David Brewer, of Kansas. Justice Miller, of Iowa, died in 1890, and was succeeded by Mr. Justice Brown, of Michigan. We wish it clearly understood that we do not call in question, in the slightest degree, either the personal or official integrity of the members of this important tribunal. In its *personnel*, the old court of *ante-bellum* days was beyond reproach. No one has ever seriously questioned that fact. And yet we all now know that they were as clay in the hands of the potter, and were moulded at will by the slave power. The professional life of the members of that court had budded, grown and ripened under the transforming but baleful influence of slavery. When they reached their

exalted position upon the bench their perverted judgment and misguided conscience united to impel them to block the way of freedom. The sword came and emancipated both the slave and the Court. The American people are now passing through a similar experience. The patronage, influence and power of the slave oligarchy were mere trifles compared with the corporate dominion of the present day. The social, political and financial strength of the corporations unite to make their influence infinitely greater in American society than that of the slave power ever was, even in the days of its greatest ascendency. The corporation has submerged the whole country and swept everything before it. In the glacial period, geologists tell us, the icebergs lifted the solid granite boulders from their resting places in the north, bore them southward and dropped them upon what are now our western prairies, where they will forever remain as monuments of the elemental conflicts of that far off age. The deep lines and scratches across their faces tell us the course of the current which submerged and carried them away. They were borne along by superior force. They were finally released when the ice melted beneath the genial rays of the sun. The corporation glacier is now sweeping over this country and lifting out of place the solid granite of our Judiciary and threatening to carry away the very pillars of the Republic. But the light of unclouded public opinion is shining full orbed upon the situation, and ere long, it is hoped, the iceberg will melt under the fervent heat of well directed investigation and our great Court be permitted to settle back upon the pedestal of the Constitution, to remain forever as the hope and refuge of the people.

The election of Mr. Garfield took place in November, 1880. On the 26th day of January following President Hayes sent to the Senate the name of Stanley Matthews, of Ohio,

for Associate Justice, to succeed Noah H. Swayne, retired. As Mr. Matthews was known to be a prominent corporation lawyer, the appointment was a sudden surprise to the country, and met with strong opposition in the Senate and very damaging criticism elsewhere. Many of the leading anti-monopoly journals openly characterized the appointment as a shameful disregard of public opinion and a gross betrayal of the people. Mr. Matthews, while filling the unexpired term of Mr. Sherman in the Senate had, with great skill and adroitness, opposed the passage of the Thurman act, touching the Pacific railroad indebtedness, on the ground, as he claimed, of its repugnance to the Constitution. The opposition to this appointment was led in the Senate by David Davis, Allen G. Thurman, Mr. Edmunds, and General Logan. It is understood, however, that Mr. Edmunds' opposition was caused by his desire to secure the appointment for a friend in his own State. The friends of Mr. Matthews were not strong enough to force confirmation. Senators Ingalls and Lamar were the only members of the Judiciary Committee who favored it. The nomination lapsed. Then came the inauguration of Mr. Garfield, followed by the usual extraordinary session of the Senate On the 12th of March the newly installed President again sent to the Senate the name of Mr. Matthews. Senators Davis, Thurman and Logan were still firm in their opposition. Protracted delay followed, and confirmation seemed for a while decidedly doubtful. Finally, after much delay, on the 12th day of May, just sixty days after the name of Mr. Matthews had been sent in for the second time, he was confirmed by a vote of 22 yeas, 21 nays. The public prints were full of uncomplimentary statements concerning methods made use of to secure confirmation, but it is foreign to our purpose to reproduce them here. We shall not stop to question either the motives of the two Presidents or the

integrity of the appointee. The point we insist upon is this: the nomination of Mr. Matthews was in defiance of public opinion. This was clearly shown by the protest which followed and by the fact that it was at first practically rejected by the Senate. And we submit in all candor, that after the nomination had once lapsed in the face of the great popular opposition which it had evoked, proper deference to the well defined state of public opinion should have prevented the incoming President from again forcing the nomination upon the Senate and the country. This is a representative case, and it affords the reader a clear view of the influences which shape and control the most important affairs of our Republic. It is clear that there is some power in this country which is above the Government and more authoritative than public opinion, and which can exert itself successfully at critical moments in high places. A child can tell what that power is. It is the omnipresent, omnipotent corporation. It is the same old malevolent, insidious influence of organized oligarchy—of plutocratic power—and it is now asserting itself for the second time within the memory of the present generation. The pirate plunders by violence. The burglar enters your house prepared to take life if he cannot otherwise escape. But the corporation plunders by the permission or through the agency of the State, and to cut off all hope of redress they seize upon the courts, which constitute the only hope and refuge of an oppressed people this side of revolution. Organized wrong understands well the value of the courts of a country, and particularly of the Courts of last resort. Hence they look well to the appointing power. On the other hand, the people seem to be unmindful of everything pertaining to their welfare, and they suffer uncomplainingly until peaceful redress becomes well nigh impossible. The old Court, under the influence of the oligarchy of that

day, went to the extreme of deciding, in effect, that the Constitution was a skillfully constructed web of clanking slave chains, rather than a bristling panoply of freedom. But an obsequious Judiciary and a perverted Constitution could not, at that time, stay the onward march of freedom nor hold even a weak and disfranchised race in bondage. And should the new Court encounter the storm center of public opinion, now rapidly forming, it will be as chaff before the gale.

A DECISION REVERSED

On the 22d day of March, 1887, Mr. Lamar, then Secretary of the Interior, directed the Commissioner of the General Land Office, Gen. Sparks, to cause a grant of land in Wisconsin, made to the Chicago, St. Paul, Minneapolis & Omaha Railway, and its branch line, to be adjusted; and further directed the Commissioner to transmit to the Secretary for approval, proper lists of lands selected by said Company as indemnity lands, in lieu of lands which had been granted to them, but of which they had been deprived by the act of the Government. This was provided for in the grant.

The original act granting lands to this Company was passed in 1856, and granted six alternate sections to the mile on each side of the road. The act of May 5, 1864, increased the grant to ten sections per mile. The acts provided in substance, that if the Government had, prior to the passage of this grant to the railroads, disposed of any of the lands embraced within the limits of this grant, said lands were to be excluded from the operation of the act except as to right of way, and should not be affected by it, but remain as though no grant had ever been made. The task before the Commissioner of the General Land Office seemed easy enough. For all lands of which the railroad

had been deprived by act of the Government, between the date of the grant and the definite location of the line of the road, they were to be allowed to select other lands. For lands which the Government had disposed of before Congress made the grant, they could not have other lands. The Supreme Court, in an able opinion delivered by David Davis, in the Leavenworth, Lawrence & Galveston, R. R. 92 U. S., 733, had held in 1875, that the road could not have indemnity for lands which had been disposed of prior to the date of the grant, and which were excluded from the grant by the terms thereof. With this decision and the granting act before him, Gen. Sparks proceeded to adjust this Wisconsin grant. He found that the Government had, prior to the date of the grant to the railroad company, appropriated about seventy-four thousand acres embraced within the limits of the grant. He very properly held that inasmuch as these seventy-four thousand acres had never been given to the corporation, but on the contrary, had at a prior date been set apart for other purposes, the corporation was not entitled to indemnity. Having never been granted, there had been no loss; and having been no loss there could be no indemnity. The adjustment and list were duly certified to Secretary Lamar for his approval. The Secretary promptly reversed the decision of the Commissioner and held that the corporation was entitled to select indemnity lands, in lieu of the seventy-four thousand acres with which the Government had parted prior to the passage of the act, and in his decision he stated that the opinion of the Supreme Court, before referred to, as delivered by David Davis, in the L. L. & G, case, had been overruled, and that if it had not been overruled it was dictum. A subsequent decision in what is known as the Barney case, 113 U. S., 618, was referred to as authority for his ruling.

The two cases were radically different as to the questions of law and fact involved. It is a notable fact that Field, Swayne and Strong had dissented from the opinion of the Court in the L. L. & G. case, and that Field delivered the opinion in the Barney case. It is evident therefore that Secretary Lamar regarded Judge Davis' majority opinion as unsound, and the dissenting opinion of Justice Field as the correct statement of the law.

This difference of opinion concerning the proper construction of the law applicable to the Wisconsin case led to a misunderstanding between Secretary Lamar and Mr. Sparks, Commissioner of the General Land Office, which caused the latter to resign. Their respective views of the law were irreconcilable.

Shortly after Congress convened in December, 1887, the President nominated Mr. Lamar as Justice of the Supreme Court to succeed Justice Woods, of Georgia, deceased, and he was accordingly, after considerable delay, confirmed by the Senate. Mr. Lamar, during the pendency of his nomination in the Senate, resigned as Secretary of the Interior. But before doing so removed from office Mr. J. W. LeBarnes, the Law Clerk of the Department, who concurred in General Sparks' opinion of the law in the case above named. We do not call in question the good faith of Mr. Lamar, nor the motives of the President in making the appointment. But here was a grave public question, concerning which the members of the Supreme Court were themselves at variance. The land grant companies were interested in securing the appointment of a member of the Court whose construction of the law would give them the largest amount of land. The people were interested in having Judge Davis' decision, which construed the grants strictly, sustained.

Let us notice for a moment the magnitude of this single

victory over the people. First, the railroad company secured seventy-four thousand acres of land more than the Commissioner thought they were entitled to; second, they secured the removal of the Commissioner of the General Land Office, whose brusk honesty brought him into conflict with their nefarious schemes; third, they secured the removal of Law Clerk, LeBarnes, who was a serious obstacle in their way; fourth, they overthrew the David Davis decision in the L. L. & G. case, and secured the adoption of a rule, which, when applied to all other grants, as it has since steadily been, gives them probably ten million acres more than they could have obtained under the old rule. These ten million acres are worth to them at least one hundred million dollars.

While the confirmation of the ex-Secretary was hanging fire in the Senate, as we are informed by Gen. Sparks, the force in the railroad division of the General Land Office was kept busy, almost day and night, issuing patents for the lands covered by this decision; and the lady who signs the President's name to the patents was sent for after night to affix the Executive signature to the patents which conveyed this land to the railroads. This episode illustrates with tremendous force the danger inherent in the method of selecting the members of this great Court.

Reader, I think you will agree with us that David Davis had an accurate understanding of what was going on!

A LOOK AHEAD.

The members of this tribunal whose terms are likely to extend into the future for a considerable period are:

Chief Justice Fuller, aged 57, appointed 1888.
Justice Harlan, aged 57, appointed 1877.
Justice Gray, aged 62, appointed 1881.
Justice Lamar, aged 65, appointed 1888.
Justice Brewer, aged 54, appointed 1890.
Justice Brown, aged 55, appointed 1891.

The other members have already reached that age in life (70) and have served the period (10 years) which entitles them to retire on full pay, to-wit:

Justice Field, aged 74, appointed 1863.
Justice Bradley, aged 76, appointed 1870.
Justice Blatchford, aged 70, appointed 1882.

In the natural course of human life and strength, it may be calculated with certainty that the three Associate Justices last named, have but a brief period of service before them. Their time is limited by a decree that is final, and cannot be reversed. It is then among the certainties of the future that the present administration and the one to immediately follow—most likely the former—will be called upon to choose at least three new members of the Supreme Bench. In view of the important issues which are now agitating the public mind, the certainty of an early re-construction of the Court brings the Republic to the very brink of an absorbing crisis, the importance of which can not be over-estimated. When, in the last great juncture, the public mind came to realize that the Supreme Court had been completely subjugated by the slave power, troublous times were near at hand. When the Court succumbed, freedom felt that she had lost her last citadel and was compelled to fall back upon the people for safety. But the present peril is infinitely greater than the former. Slavery was restricted within narrow geographical limits and the visible manifestations of the evil were repulsive and hateful to all who were removed from its immediate influence. Not so with the present foe of justice and social order. It assails the rights of man under the most seductive guise. You meet it in every walk of life. It speaks through the press, gives zeal and eloquence to the bar, engrosses the constant attention of the bench, organizes the influences which surround our legislative bodies and

courts of justice, designates who shall be the Regents and Chancellors in our leading Universities, determines who shall be our Senators, how our legislatures shall be organized, who shall preside over them and who constitute the important committees. It is imperial in political caucases, without a rival in social circles, endows institutions of learning, is in daily contact with all important business interests, disburses monthly large sums of money to an army of employés, has unlimited resources of ready cash, is expert in political intrigue and pervades every community from the center to the circumference of the Republic.

THE ALARM.

It will be remembered that the decisions of the Court upon the so-called "Granger Laws" of Iowa, Illinois and Wisconsin were delivered in 1876. In these opinions the majority of the Court sustained the power of State Legislatures to prescribe maximum rates of charges for the transportation of freight and passengers on the various roads within these States. (See the Chicago, Burlington & Quincy Railroad Company *vs.* Iowa, 94 U. S., 155; Chicago, Milwaukee & St. Paul Railway Company *vs.* Ackley, 94 U. S., 179; Peik *vs.* Chicago & Northwestern Railway Company, and Lawrence *vs.* same company, 94 U. S., 164, Field and Strong dissenting.) These cases were all argued at the same time, presented the same questions and were decided at the same term. The questions of the right of the State to regulate the rates of fares and tolls on railroads, and how far that right is affected by the commerce clause of the Constitution of the United States were presented to the Court. It was ably and confidently contended by Hon. William M. Evarts, John W. Cary and associate counsel for plaintiffs in error, that the laws of Iowa, Wisconsin, Illinois and Minnesota were void for two reasons:

First—They were in violation of that clause in the Federal Constitution which forbids a State to pass any law impairing the obligation of contracts, and also in violation of that clause which forbids a State to pass any law which deprives any person of his property without due process of law. That in view of these provisions of the fundamental law, the question of what is a reasonable compensation for the transportation of passengers or freight is one calling for judicial determination and cannot be settled by the Legislature.

Second—That the State statutes in question attempted to regulate inter-state commerce, and for that reason were unconstitutional, being in conflict with the commerce clause of the Constitution.

The opinion in these cases was by Chief Justice Waite. In the case of the Chicago, Burlington & Quincy Railroad Company *vs.* Iowa, *supra*, the Chief Justice says: "Railroad companies are carriers for hire. They are incorporated as such, and given extraordinary powers, in order that they may better serve the public in that capacity. They are, therefore, engaged in a public employment affecting the public interests, and * * * subject to Legislative control as to their rates of fare and freight, unless protected by their charters." In Peik *vs.* C., B. & Q. Ry., 94 U. S., page 178, the Chief Justice uses the following language: "Where the property has been clothed with a public interest, the Legislature may fix a limit to that which shall in law be reasonable for its use. This limit binds the Court as well as the people. If it has been improperly fixed, the Legislature, not the courts, must be appealed to for the change."

In the case of the C. M. & St. P. *vs.* Ackley, *supra*, the Chief Justice says: "The only question presented by this record is whether a railroad company in Wisconsin can

recover for the transportation of property more than the maximum fixed by the Act of March 11, 1874, by showing that the amount charged was no more than a reasonable compensation for the services rendered. * * * As between the company and the freighter there is a statutory limitation of the charge for the transportation actually performed. The limit of the recovery is that prescribed by the statute."

There was still another decision in Munn & Scott *vs.* Illinois, 94 U. S., 113, which establishes the doctrine that a state may constitutionally prescribe elevator charges for the storage of grain, notwithstanding they are used by those engaged in inter-state as well as state commerce. In these instances the state had fixed the maximum rates and had forbidden the roads and the owners of the elevators to charge more under penalty. The court declared the laws to be in harmony with the constitution. The railroads contended earnestly that the question whether certain rates fixed by them were reasonable or excessive, was a question of fact which could not be settled by legislation but must be determined by the courts after judicial investigation had in conformity with the constitution which declares that no person shall be deprived of his property without due process of law. But the majority of the court, as we have seen, held that the interest was of a public nature and that this clause of the constitution did not apply.

When these opinions were announced by the majority of the court, Mr. Justice Field filed a dissenting opinion for himself and Justice Strong, in which, speaking of the decision of the majority, he says:

"That decision in its wide sweep, practically destroys all of the guaranties of the Constitution and of the common law invoked by counsel for the protection of the rights of railroad companies. Of what avail is the Constitutional

provision that no State shall deprive any person of his property except by due process of law, if the State can, by fixing the compensation which he may receive for its use, take from him all that is valuable in the property? To what purpose can the constitutional prohibition upon the State against impairing the obligation of contracts be invoked, if the State can in the face of a charter authorizing a company to charge reasonable rates, prescribe what shall be deemed reasonable for services rendered? That decision will justify the legislature in fixing the price of all articles and fixing the compensation for all services. It sanctions intermeddling with all business and pursuits and property in the community, leaving the use and enjoyment of property and the compensation for its use to the discretion of the legislature."

These decisions were all by a divided court. Only one of the judges who concurred in the majority opinion (Judge Bradley) is now upon the bench; seven of the present members having been appointed since that time. Will any sane man believe for one moment that the corporations were asleep while this court was being reconstructed? Not a single appointee escaped their scrutiny. They watch the tottering frames of the members of this tribunal with a solicitude equal to that which animates the unfilial spendthrift who feels hampered by the longevity of his rich progenitor.

Mr. John W. Cary, of Milwaukee, who is general attorney for the C., M. & St. P. Railroad, represented that company in the Ackley case and was deeply disappointed in the decision of the court. In an article published over his own signature in the *Daily Sentinel* of Milwaukee, March 5, 1888, twelve years after these important decisions were rendered, he boldly asserts that the "Granger" decisions must be overthrown, and exults that there were at the date of his letter but four judges (there were but three) upon the bench who participated in them. There is now

but one. In these utterances he doubtless voiced the wishes of the whole array of corporation magnates and their host of legal advisers throughout the Union. Mr. Cary was well aware that they had, except as to the power of state Legislatures to fix maximum rates for purely state traffic, already been overthrown in the Wabash case. He knew too that other cases were then in preparation which would sweep away the last vestage of these decisions. It was Mr. Cary's knowledge of the movements in corporation circles which enabled him to asssume the role of the prophet. Of course he was not speaking for himself but for his masters. It was not the voice of a man and a citizen, but it was a vengeful proclamation of war against an unsuspecting people who were fondly dreaming that since their great Court had spoken in the "Grange" decisions their rights were secure and that these great questions were forever settled. But Mr. Cary and his clients were looking forward to a change in the personnel of the Court through the visitations of time and the ravages of death. They had been vanquished but not conquered. They proposed to transfer the battle to the future and to trust for final victory through an insidious, quiet and treacherous reformation of the Court. By referring to the sub-division of this chapter entitled "Instability of Judicial Opinion and the Resulting Evils," the reader will learn how far the vengeful prediction of Mr. Cary has been verified.

THE THURMAN ACT.

The act of congress, known as the "Thurman Act," approved May 7th, 1878 (20 stat., 56), required the Union Pacific Railroad Company, in the management of its affairs, to set aside a portion of its current income as a sinking fund to meet the mortgage debts of the company,

when they mature. Included among these debts is the second mortgage lien held by the United States, which now amounts to about $130,000,000. The law was finally assailed by the railroad interests as being unconstitutional, in that it deprived the company of its property without due process of law, and was an unwarranted interference with vested rights.

Cases were hurriedly prepared for the Court of claims and in the Circuit Court of the United States for the district of California. On appeal to the Supreme Court they were advanced to a speedy hearing. In October, 1878, the Court declared the act constitutional. (99 U. S., 700.) But the judges were divided in opinion. Five of them upheld the law, while Justices Field, Strong and Bradley dissented. Chief Justice Fuller now occupies the place then held by Waite, Justice Lamar that held by Strong, Justice Brewer the seat then occupied by Judge Swayne, and Justice Brown that held by Miller.

Justice Lamar served in the Senate with Stanley Matthews, was aware of his hostility to the Thurman Act on the ground of its alleged unconstitutionality, and notwithstanding that fact he was ardently in favor of the confirmation of Mr. Mathews, by the Senate, and stood by him in the committee and on the floor until the contest reached a favorable termination. It is fair to conclude that he shared Mr. Mathews', opinions concerning the Thurman Act. Chief Justice Fuller's opinion upon the subject must be left to conjecture. Justice Brewer succeeds Matthews and is a nephew of Justice Field. It is quite safe to assume that the dissenting judges have not lost in numbers by the late appointments.

Knowing that the corporations were exceedingly watchful, active and persistent when Matthews was appointed, it is but fair to conclude that all the late appointments met

with closest scrutiny in corporation circles long before the public even heard that their appointment was contemplated. The overthrow of the Thurman Act is as important to-day to the parties who then desired it as it was when first enacted, or when Matthews was appointed. There is not the slightest evidence of a relaxed purpose or effort in this respect.

We cannot better illustrate the stealthy intrigue constantly employed by corporate interests to control every branch of our Federal judiciary, than by calling to mind some events which have taken place during the past ten years within the Eighth Judicial Circuit, which is made up of the districts of Minnesota, Iowa, Missouri, Kansas, Arkansas, Nebraska and Colorado. In the year 1869, Judge John F. Dillon, of Iowa, was appointed for this circuit. He served ten years and resigned, ostensibly to accept position as professor of Real Estate and Equity Jurisprudence in the Columbia law school, but really to accept the position of chief counsellor of the Union Pacific railroad, with his office at Boston. A number of applicants sprang up of course, for the vacancy, but the contest soon narrowed down to Judge Brewer, of Kansas, and the Hon. George W. McCrary, of Iowa, then Secretary of War in the cabinet of President Hayes. Justice Miller and the Iowa delegation in Congress strongly urged the appointment of McCrary, while Justice Field, backed by strongly organized influence, was active for his nephew, Judge Brewer. Judge Brewer's mother was a sister of Justice Field, and her distinguished son was born abroad while the parents were temporarily absent from the United States. The contest became animated to such an extent that the relations between Justices Field and Miller became somewhat strained. McCrary, however, was appointed and confirmed.

McCrary was a splendid type of American manhood. He rose to fame and position upon his own inate ability, rugged character and acknowledged integrity. His sympathies were all with the poor, the lowly and the oppressed. He was gnarly timber for the corporations to operate upon. His keen insight and breadth of mind carried him directly to the marrow of every question which he undertook to investigate; and after he had applied his powers of analysis to the matter in hand, there was little room left for controversy. The new appointee was far from satisfactory to the corporations. As Judges, Dillon and McCrary were not satisfactory to the corporation magnates.

Judge McCrary served about three years and resigned to take employment as general consulting counsel for the Atchison, Topeka & Santa Fe Railway Company, with a liberal salary, compared with that which he received as Circuit Judge. The contract ran for five years, and he was located at Kansas City. The transaction provoked very considerable comment in professional circles at the time, but its significance did not attract general public attention. How remarkable that these Judges, serving from the same State; one the successor of the other in the same circuit, should both suddenly become so essential to the business interests of the corporations! Their great value as legal advisors had not attracted railroad interests until they reached the bench. From that hour the importance of their services was beyond computation and must be secured at whatever cost. Enormous salaries were proffered. Ample fortune, to be earned in a brief term of years, and the comforts which it confers, were placed alongside of a laborious life upon the bench and these gentlemen resigned. Can there be a doubt about the underlying motives which caused these railroad interests to bid for the services of these gentlemen? The corporations were not

seeking for counsel in a land full of eminent attorneys. They simply desired to get rid of righteous and troublesome judges, to slay judicial adversaries and, if possible, install carpet knights of their own. McCrary resigned in 1884, and to-day his successor is upon the Supreme bench.

ENFRANCHISEMENT OF CORPORATIONS.

The constitution of the United States was designed as a safe-guard for human beings. It was framed at a time when commerce in the new world was in its infancy and when business was carried on for the most part by single individuals and by associations of persons called co-partnerships. Our present phenomenal growth of ideal beings which we call corporations had not been dreamed of in the business world. When the Constitution speaks of citizens and persons, there can be nothing clearer than that it refers to human beings who are the subjects of birth and death and who owe allegiance and obedience to law. Modern corporations had no representative in the Colonial armies nor were they present when the British forces surrendered. They did not sign the Declaration of Independence nor are their rights or grievances enumerated in that instrument. The design of the Declaration was to assert the right of man to smite his oppressor and to break every chain. It boldly asserts the theory of human equality and justice. The Constitution is the Declaration enacted into law. It should enable the citizen to strike down, through the proper law-making bodies and the courts of justice, every assailant of individual rights or personal security. The internal foes of social order and personal liberty are more dangerous—more insidious, than those which threaten from without. The Constitution should be so interpreted as to protect society from both. If it be not capable of such translation it is a broken reed and the

most stupendous failure of the Century. The menace of plutocracy as manifested in the modern corporation and association of incorporations called trusts, was not foreseen by the framers of the constitution. But that interpretation of our fundamental law which will enable both law-makers and courts to afford the amplest safe-guards to the individual is the only rendering which should be tolerated. Men and women—not corporations—are the glory of the state. It is man—not the trust—who hastens to the defense of Society when it is imperiled. It was the happiness and security of the individual which engaged the attention of our fathers, and not the conservation of powerful syndicates, corporations and combines. Accumulated wealth has forever claimed kingship over the whole earth. Our fathers understood this full well and sought to dethrone the tyrant and to take the crown from his head. This cruel assumption of wealth was personified in the monarchs of antiquity who asserted absolute dominion over the earnings, the estates and the lives of their subjects. It gave life to the feudal system of the middle ages and it was the spirit of the law of primogeniture. But its latest and most dangerous incarnation is the intangible and yet ever living corporation. The sword could overthrow the monarch and the executioner behead him. The feudal system perished before the inexorable demands of modern commerce and the march of Christianity. But an invisible, intangible being has no fear of the sword nor of the uplifted axe. Neither moral nor revealed law can reach it, for it has no conscience. It is the tyranny of greed coupled with the attribute of statutory immortality.

The despotism of wealth found its greatest foe in the limitations of human life. Men died, great estates crumbled to pieces and were redistributed again. Hence some means must be found to bridge the chasm of death,

and so the State was asked to create a being and place him upon the earth who should not be circumscribed by mortality. Owing to the disposition of man to transgress every obligation of the Decalogue the span of his life has been cut short by his Creator. But our Governments, State and National, have been dealing out legal immortality and immutability by the wholesale. They have created thousands of corporations on every hand and endowed them with perpetual succession. They have clothed them with all the power to acquire and hold property which belong to ordinary mortals. These artificial beings have the infirmities of avarice but are without the restraining virtue of conscience. In every conflict flesh and blood go down before them like grass before the scythe. With the certainty of life given to them, the fear of death taken away and with millions of wealth at their command, to what may they not aspire? State lines are as cobwebs and great Commonwealths and populous cities are only ant hills to these terrestrial monsters. Their creation is in manifest derogation of moral law and a declaration of war upon humanity. The world should become awake to this fact before it is too late.

But let us carefully note the gradual steps in their enfranchisement which is now thorough and complete throughout the Republic.

The power of either Congress or the State Legislatures to create corporations and endow them with perpetual succession was at first stubbornly denied. It was speedily sustained, however, by the courts. To guard against possible reversals, provisions were from time to time inserted in State Constitutions expressly granting the power. Capitalists were quick to avail themselves of the proffered advantages and hence the unparalleled growth of these institutions in modern times. Now that they had a statutory birth the question of their status in society and in business

affairs became important. Having by their incorporation escaped all the weaknesses and disagreeable limitations belonging to natural persons, they then laid claim to all the rights and immunities belonging to man, including that of citizenship under the Constitution. Having thus far conquered they at once laid siege to the Court of Last Resort.

In the year 1769 the British crown (Geo, III.) granted a charter to the trustees of Dartmouth College in the then colony of New Hampshire. Early in the present Century the Legislature of the State of New Hampshire passed a law to amend this charter and making a change in the board of trustees. The power of the Legislature to do so was stubbornly denied. Litigation followed in the State courts where the legislation was upheld and the cause quickly found its way to the Supreme Court. Daniel Webster was of counsel for the corporation. The litigation attracted very wide attention. Chief Justice Marshall, speaking for the Court, pronounced the opinion in the year 1819. (4 Wheaton, 518.) He held that the charter granted by the British crown constituted a contract within the meaning of that clause of the Constitution of the United States which declares that no state shall make any law impairing the obligation of contracts. The Court held that the charter was not dissolved by the Revolution, and that the subsequent act of the New Hampshire Legislature, after the organization of the government of the United States, and after the admission of that State into the Union, altering the charter in a material respect, was an act impairing the obligation of the charter, and therefore unconstitutional. This decision is the great bulwark of corporate power. It is the shield and hiding place for all kinds of associations which are plotting to rob the people and supplant Democratic government. It is infinitely more disas-

trous and fatal than the Dred Scott decision, for unless our Constitution be amended or the decision overthrown in the Court, which is now quite impossible, it must be accepted as the law through all time. The immutability of charters, and doctrine of vested rights arising under the acts of Legislatures, by which all subsequent Legislatures are precluded from either repealing or changing the conditions of the grant—these and a multitude of other evils have sprung from the Dartmouth College case.

In the case of the Louisville Railroad Company *vs.* Letson, 2 Howard, 555, decided in 1844, and Insurance Company *vs.* Morse, 20 Wallace U. S. Rep., 553, decided in 1874, it is held that a railroad company, or other corporation, of course, is a citizen within the meaning of section 2, article 3, of the Constitution, and also within the meaning of that section of the Judiciary act of 1789, and subsequent acts, which provide for the removal of causes from State to Federal courts.

These cases, taken together, constitute a Pandora's box, out of which have sprung a brood of evils which are now embarrassing and afflicting the Commonwealth. They completely enfranchise the whole multitude of artificial persons and grant them a status and base of operations from which they can carry on their war for the subjugation and enslavement of natural persons. It is safe to assert that no member of the Constitutional Convention ever contemplated anything of the kind. It is a vicious fiction existing solely in the imagination of the Court.

It is curious to note the progress made by the Court in reaching the conclusion that a corporation is a citizen within the meaning of the Constitution. At first it was held by Chief Justice Marshall, in Bank of U. S. *vs.* Deveaux, that "An invisible, intangible and artificial being, that mere legal entity—a corporation aggregate—is

certainly not a citizen, and consequently cannot sue or be sued in the courts of the United States, unless all the members of the corporation were citizens of the State which created it." The same doctrine was held in Strawbridge *vs.* Curtiss. See 3rd Cranch 36, 5th Cranch 267.

It was next held that all members of the corporation should be conclusively presumed to be citizens of the State that created it, and that the presumption could neither be denied in pleadings nor contradicted by evidence! Still later it was held in Louisville Railroad Company *vs.* Letson, 2d Howard, page 555, "That the former decisions had never been satisfactory to the bar, and not entirely satisfactory to the Court that made them!"

Quoting from the Dartmouth College case, they hold that a "Corporation is an artificial being, invisible, intangible, and existing only in contemplation of law; that it possesses only those properties which the charter of its creation confers upon it. These are such as were supposed best calculated to effect the object for which it was created, and among the most important are immortality and individuality—properties by which a perpetual succession of many persons are considered as the same, and may act as a single individual. They enable a corporation to manage its own affairs, and to hold property without the perplexing intricacies, the hazardous and endless necessity of perpetual conveyances for the purpose of transmitting it from hand to hand. It is chiefly for the purpose of clothing bodies of men in succession with these qualities and capacities, that corporations were invented and are in use. By these means a perpetual succession of individuals are capable of acting for the promotion of the particular object like one immortal being." And then they squarely hold in the same case, that "A corporation created by and doing business in a particular state is to be deemed to all intents

and purposes a person, although an artificial person, an inhabitant of the same State for the purpose of its incorporation, capable of being treated as a citizen of that State, as much as a natural person."

This, the court declares, is a natural inference from the decision in the Dartmouth College case. The whole superstructure seems to be built upon a succession of inferences instead of upon a plain grant of power.

In 1874, an opinion was rendered in the *Insurance Company vs. Morse*, 20 Wallace, U. S. Rep., 553, that a corporation is a citizen of the State by which it was created, and in which its principal place of business is situated, so far that it can sue and be sued in the Federal courts, and like natural persons, has the right to remove its causes from the State to the Federal courts.

Now every member of the bar, every intelligent person, certainly knows that there is not a particle of authority for this ruling, either in the Constitution itself or in the business situation at the time the Constitution was made. The very terms used in that instrument and in the Judiciary Act of 1789, exclude and render unreasonable any such interpretation. Both the Constitution and the act use the word citizen, evidently meaning natural persons. It is simply and purely judicial legislation of the most unauthorized character, promulgated in amplification of the jurisdiction of the Court. The first opinions of Chief Justice Marshall, found in 3rd and 5th Cranch, referred to above are correct. They were in harmony with the Constitution and in accord with sound reason.

The gradual and reluctant change of opinion by the Court was contemporaneous with the alarming growth of corporate power and influence in American business life As the Court showed hesitation, the corporations grew

importunate, and the complete surrender of the Judiciary quickly followed.

What authority had our courts, in the absence of legislative expression, to enfranchise this modern octopus, and clothe it with all the rights of citizenship? Neither Congress nor the framers of the Constitution had ventured to do so. No act of legislation since the foundation of our Government has exerted such stupendous influence upon the fortunes and business interests of the American people as this one unconstitutional and wholly unauthorized judicial *ipse dixit*. It was the one thing needful to place the people in complete subjection to corporate power.

And they have even gone so far as to flatly hold that where an insurance company had filed an agreement in compliance with the law of the State of Wisconsin, as a condition precedent to entering upon business in that State, that it would litigate its causes in the State courts and not remove the same to the Federal courts, was not binding, and that the act of the Legislature which required the company to file this agreement was unconstitutional and void.

Such, also, was the fate of an Act recently passed by the Iowa Legislature known as the Sweeney law, which required foreign corporations doing business within the State of Iowa to become incorporated under the laws thereof. It was held to be repugnant to the Constitution.

These and other decisions of similar import inaugurated the conflict now pending in the United States between natural and artificial persons. The corporations are intrenched in the courts and the people are at great disadvantage. It is a race war of the fiercest kind, and a war of subjugation, for it is the evident purpose of the multitude of artificial persons to drive the great body of mankind to the wall and to compel them to submit to the yoke. The barbarians overran Rome, but the corporations and trusts have secured a

much easier conquest here. It must be conceded that in a struggle with persons clothed, as the courts say, with "individuality, immutability and immortality," and who possess at the same time unlimited wealth, natural persons would be very unequally yoked. So far as this world is concerned man lacks two of these attributes. He enters the contest with but one—his individuality, and sooner or later is likely to regret that he possesses even that.

INSTABILITY OF JUDICIAL OPINION AND RESULTING EVILS.

A critical examination of the adjudications of our Supreme Court upon the most vital questions of the Century impresses us with the instability of judicial opinion, and we stand astonished at the spectacle of fickleness and inconstancy which rises up before us.

Whilst the administration of justice between private individuals is always important, as it is one of the chief ends for which Society is organized; yet when this duty is confined to trustworthy hands, the steady flow and exercise of the power does not attract marked public attention. The members of community know generally that the courts of justice hold their regular sessions; that persons accused of crime are being tried, convicted and punished or restored to their liberty; that judgments and decrees are being rendered and property taken and transferred to satisfy a variety of obligations; but beyond this general comprehension the great mass of people are unobservant and ordinarily disinterested. When, however, absorbing controversies arise involving the right of a State, inhabited by millions of people, to protect its citizens from various abuses affecting the morals, the health, the business and the safety of Society, the attitude of our Court of last resort should be unmistakable, clear and steadfast. The adjudications of nearly a century upon a given question, all concurring to

establish a certain construction for the guidance of the citizen and the States alike, should not be disturbed, and the institutions and laws which have become chrystalized and established in consequence of these decisions should not be broken up and unsettled with impunity. This tribunal, if it would command respect, should see to it that its adjudications comport with the dignity of the parties to the controversy, be equal to the gravity of the questions involved and as thorough and exhaustive as it is possible for the human understanding to afford.

Our Federal Union is now composed of forty-four independent States, with avenues of inter-communication which sever State lines and municipal boundaries with as little regard as birds of passage exhibit when, with the recurrance of the seasons, they make their periodic flights across the continent. The Legislative power of the States over institutions of their own creation, over questions of internal police, the point where this power ceases and the authority of Congress begins, and *vice versa*, are questions of vital import in this day of colossal corporations and associated capital. If the Court is entitled to the respect and veneration which is claimed for it, the legislation and litigation of a Century should not leave us in doubt, at this late period, concerning the lines which separate between the State and Federal sovereignty.

Let us proceed to an examination of the decisions of the Court relating to questions of internal police and the regulation of inter-state commerce. The first great case in this category was decided at the January term, 1829, Wilson *vs.* the Blackbird Creek Company, 2 Peters, 245. A law had been passed by the State of Delaware to authorize the construction of a dam in a navigable tide-water of that State. In delivering the unanimous opinion of the Court, Chief Justice Marshall said: "The measure authorized by this

act stops a navigable creek and must be supposed to abridge the rights of those who have been accustomed to use it. But this abridgment, unless it comes in conflict with the Constitution or a law of the United States, is an affair between the Government of Delaware and its citizens of which this Court can take no cognizance. Counsel for the plaintiff in error insists that it comes in conflict with the power of the United States to regulate commerce with foreign nations and among the several States. If Congress had passed an act which bore upon the case * * * we should feel not much difficulty in saying that a State law coming in conflict with such act would be void. But Congress has passed no such act. The repugnancy of the law of Delaware to the Constitution is placed entirely on its repugnancy to the power to regulate commerce with foreign nations and among the several States; a power which has not been so exercised as to affect the question."

There can be no misunderstanding concerning the meaning and scope of such language.

The state of Pennsylvania, through its legislature, authorized the city of Philadelphia to erect a permanent bridge across the Schuylkill river (a navigable water), at the foot of Chestnut street. The constitutionality of the act was called in question and the case was taken to the Supreme Court, Gillman *vs.* Philadelphia, 3 Wall., 713, where the law was upheld. The court held that "It was for Congress to determine when its full power to regulate commerce should be brought into activity * * * and that until the dormant power of the Constitution is awakened and made effective by appropriate legislation the reserve power of the States is plenary and its exercise in good faith can not be made the subject of review by this court."

Again, in the Escanaba Co. *vs.* Chicago, 107 U. S., 678, 683, where the city had, in pursuance of a State statute,

regulated the times for opening and closing the draws in the bridges crossing the Chicago river, which operated as a regulation of commerce both interstate and foreign, the Supreme Court held that "There being no legislation by Congress to the contrary the power was constitutionally exercised." Mr. Justice Field, delivering the opinion of the court, said: "The Chicago river and its branches * * * must be deemed navagable waters of the United States. But the States have full power to regulate within their limits matters of internal police, including in that general designation whatever will promote the peace, comfort, convenience and prosperity of their people."

For more than eighty years in the history of this country the States exercised almost exclusive control over roads, bridges, ferries, wharves and harbors, and no judicial tribunal doubted their right to do so.

The case of *Transportation Co. vs. Parkersburg*, is in point. The city had built certain wharves for the accommodation of vessels navigating the Ohio river and established certain charges which boat owners were required to pay. Parties engaged in navigating that river claimed that the State law authorizing such charges was an unconstitutional inference with the commerce of the Ohio river. The Supreme Court held that "Until Congress has acted, the courts can not assume control over the subject as a matter of federal cognizance. It is Congress, and not the judicial department, to which the constitution has given the power to regulate commerce with foreign nations and among the several states. The courts can never take the initiative on this subject."

The decision in *Peik vs. The Chicago & N. W. R'y*, 94 U. S., 164, is also in point. This case involved the constitutionality of a law of Wisconsin to regulate the price of freights and passenger traffic on the railroads operated in

that State. It operated on freight and passengers carried from another State to any point within the State of Wisconsin, or from any point to another State. The Court held that "Until Congress acts in reference to the relation of this company to interstate commerce, it is certainly within the power of Wisconsin to regulate its fares so far as they are of domestic concern. * * * Incidentally these may reach beyond the State. But certainly, until Congress undertakes to legislate for those who are without the State, Wisconsin may provide for those within, even though it may indirectly affect those without."

In Munn *vs.* Illinois, 94 U. S., 113, it was claimed that a law of the State of Illinois prescribing elevator charges was an attempt to regulate commerce among the States, inasmuch as it applied to wheat in transit between the States. The Chief Justice, in delivering the opinion of the Court said: "There can be no doubt but that exclusive power has been conferred upon Congress in respect to the regulation of commerce among the several States. The difficulty has never been as to the existence of the power, but as to what is to be deemed an encroachment upon it."

Then referring to the cases of dams, navigable waters, turnpikes and ferries, and after stating that the question at bar was in all essential respects the same, he says: "Their regulation may be assumed by the State until Congress acts in reference to their foreign and interstate relation."

The decision in the license cases, 5 Howard, 504, decided in 1846, is exactly in point. The case of Pierce *et al. vs.* New Hampshire, is the most important in this group. The defendants had been fined for selling a barrel of gin in New Hampshire, which they had bought in Boston and shipped coastwise to Portsmouth, and there sold in the same barrel and condition in which it was purchased in Massachusetts, but contrary to the law of New Hampshire

in that behalf. In delivering the opinion of the Court Chief Justice Taney said:

"The question brought up for decision is, whether a State is prohibited by the constitution of the United States from making any regulations of foreign commerce with another State, although such regulation is confined to its own territory, and made for its own convenience or interest, and does not come in conflict with any law of Congress. In other words, whether the grant of power to Congress is of itself a prohibition to the States, and renders all such law upon the subject null and void. The mere grant of power to the General government can not, upon any just principles of construction, be construed to be an absolute prohibition to the exercise of any power over the same subject by the States. The controlling and supreme power over commerce with foreign nations and the several States is undoubtedly conferred upon Congress. Yet, in my judgment, the State may, nevertheless, for the safety or convenience of trade, or for the protection of the health of its citizens, make regulations of commerce for its citizens, make regulations of commerce for its own ports and harbors, and for its own territory; and such regulations are valid unless they come in conflict with a law of Congress."

The conclusion of the opinion of Mr. Chief Justice Taney is in these words:

"Upon the whole, therefore, the law of New Hampshire is in my judgment a valid one. For, although the gin sold was an import from another State, and Congress have clearly the power to regulate such importations, under the grant of power to regulate commerce among the several States, yet as Congress has made no regulation on the subject, the traffic in the article may be lawfully regulated by the State as soon as it is landed in its territory, and a tax imposed upon it, or a licence required, or the sale altogether prohibited, according to the policy which the State may suppose to be its interest or duty to pursue."

But why cite further cases in which this doctrine has been enunciated? To use the language of the dissenting

judges in Wabash etc. Railway Company *vs.* Illinois. "It is almost a work of supererogation to refer to the cases. They are legion."

From the accession of Chief Justice Marshall in 1801, to the opinions pronounced by Chief Justice Waite in the Grange cases of 1876, covering three-quarters of a century, it was uniformly held that in the class of cases now under consideration, the power of the States was plenary when exercised in good faith, and that in the absence of Congressional action, could not be made the subject of judicial review. To use the very terse language of the Court in the Parkersburg case, "Until Congress has acted, the Courts cannot assume control as a matter of federal cognizance. That it is to Congress and not to the Judicial department, to which the Constitution has given the power to regulate Commerce with foreign nations and among the several States, and that the Courts can never take the initiative on this subject." Chief Justice Waite died entertaining these opinions, and so, doubtless, did all his illustrious predecessors.

DECADENCE OF THE COURT.

The extraordinary financial crisis precipitated upon the country in the autumn of 1873, pervaded every avenue of society and shook every branch of industry. The political consequences which followed were tremendous. Throughout the northwest, in particular, the Grange movement rose like a tempest, and soon reached every nook and corner of the country. Investigation quickly revealed the fact that producers, consumers, and the public generally, were being shamefully swindled by excessive railroad rates and fares, and that public safety required that the tyranny of monopoly should be overthrown. Legislators were chosen with reference to the great con-

troversy, and political parties in the Northwest were completely disorganized. Legislation followed in restraint of corporate pretensions. In Iowa, Wisconsin, and other States statutes were enacted, prescribing maximum rates, beyond which the companies were forbidden to charge, under heavy penalties. The conflict between the people and the corporations grew to be fierce. It was the first important engagement between the belligerent and determined forces. They fought at every step and contested every inch of the ground. True, the companies were the offspring of the State, but they did not allow a trifling matter of that kind to deter them for a moment. They spurned parental counsel, harrassed everybody, refused to obey the law, forbade the people to go aboard their trains without tickets, and declined to sell tickets except at the old rates. While this unseemly warfare was in progress cases to test the constitutionality of the offensive statutes were being rapidly pushed in the courts; meanwhile the anti-monopoly feeling among the people was constantly gaining in intensity and power. The corporations were defeated in the State tribunals, and at once appealed to the Supreme Court of the United States. As we have already learned, they were equally unsuccessful in that tribunal.

The monopolists were discomfited, of course, by these reverses, but never for a moment did they abandon their purpose. They were full of resources and bent on final victory. Not so with the people. They were exultant, short-sighted, unmindful of the future, ceased to be watchful and disbanded their forces. They did not comprehend the strength and tenacity of their powerful adversary.

In the Grange cases the corporations endeavored first to overthrow the long line of decisions heretofore recited which held that in the absence of Congressional action the States might lawfully legislate upon this class of subjects;

second, to have it judicially determined that even in strictly State traffic, the question whether rates exacted by transportation companies were reasonable or not, was a judicial question and could not therefore be determined by the Legislature. The Court ruled against the corporations on both propositions.

Following these judicial reverses, the conspiracy alluded to by the Hon. David Davis, was formed to fill the Supreme Bench with men trained in the school of the corporations, and whose mental bias, forensic education and professional experience qualify them to evolve that new jurisprudence—that new theory of constitutional construction which shall stifle State Legislatures, palsy the arm of the people, and at once afford to the corporations a safe retreat from popular indignation and legislative supervision. The success which has crowned their efforts will become painfully apparent as we carefully examine the decisions since that period. The people were victorious in the decrees of 1876, but they have met with unbroken disaster from that date forward.

THE TRANSFORMATION OF A DECADE.

The transition had begun in earnest. Ten years had elapsed since the first forensic encounter of 1876 had taken place between the people and the three giants, known as the Chicago, Burlington & Quincy, the Chicago & Northwestern and the Chicago, Milwaukee and St. Paul railway companies. The defeat of the corporations was hailed at the time with delight by the multitude and attracted marked attention everywhere. But this august Court, greatly changed, was in session for the October term, 1886. There had been no change in the Constitution meantime, nor in the oath of office of the judges. One of the judges it seems, had been re-illuminated during the decade, while

others had passed away and new men had taken their places. The case of Wabash, St. Louis & Pacific Railway Company *vs.* Illinois was up for hearing. A state—three millions of people, their Legislature and courts—stood at the bar, summoned hither at the beck of a corporation which this same state had created, but which now denied the authority of its creator to circumscribe its conduct or set limits to its exactions.

The Legislature of Illinois had passed an act which, in substance, made it unlawful for a railroad corporation, doing business in that State, to charge, collect or receive, dircetly or indirectly, for the transportation of freight or passengers upon its road, the same or a greater amount of toll than was charged for the same class of goods shipped a greater distance in the same direction, and prescribed penalties which were to follow the violation of the law. It appeared that the company had, in violation of the Illinois statute, charged Elder & McKinney for transporting 26,000 pounds of goods from Peoria, Ill., to New York City the sum of $39.00, being at the rate of fifteen cents per hundred pounds for the car load; that on the same day they had agreed to transport for Isaac Bailey and F. O Swansell another car load of goods of like character from Gilman, Ill., to New York City for the sum of $65.00, being at the rate of twenty-five cents per hundred pounds. The car load transported at the fifteen cent rate was carried eighty-six miles farther than the car load for which they charged twenty-five cents per hundred. Suit was brought in the State courts to enforce the law against the delinquent road. The corporation claimed that the law was unconstitutional, for the reason that it was an attempt to regulate commerce among the States. The Supreme Court of the State of Illinois overruled the point, and held that, as the statute applied only to that portion of the service rendered within

the State, it was valid and must be obeyed. In support of its decision the Court cited the opinions of the Supreme Court of the United States in the Grange cases, and particularly the following language, found in Peik *vs.* Chicago & Northwestern Railway Company, 94 U. S., 177-8: "As to the effect of the statute as a regulation of inter-state commerce, the law is confined to State commerce, or such inter-state commerce as directly affects the people of Wisconsin. Until Congress acts in reference to the relations of this company to inter-state commerce, it is certainly within the power of Wisconsin to regulate its fares, etc., so far as they are of domestic concern. With the people of Wisconsin this company has domestic relations. Incidentally, these may reach beyond the State. But certainly, until Congress undertakes to legislate for those who are without the State, Wisconsin may provide for those within, even though it may indirectly affect those without."

The reader will understand that the Wisconsin statute, concerning which the above ruling was made in 1876, was in every particular substantially the same as the Illinois statute now under consideration, and was so treated by the judges who concurred as well as those who dissented from the opinion rendered. The Wisconsin statute was upheld in 1886; but owing to the marked change in the *personnel* of the Court and the change of opinion on the part of one of the old judges, the Illinois law was less fortunate in 1886, and was declared unconstitutional and void. It is creditable to Chief Justice Waite and Mr. Justice Bradley, that they rigidly adhered to their former opinion given in the Grange cases, and hence filed an able dissenting opinion in this case, in which Mr. Justice Gray concurred.

During the presentation of the case to the Court, Mr. Hunt, attorney-general of Illinois, strongly urged the similarity of the two statutes and cited the decision of the

Court in the Grange cases as conclusive of the whole matter in controversy. He showed that the State Legislature and the Court of Illinois had been guided by the decisions of the Supreme Court of the United States, and had in no respect exceeded the authority there enunciated and upheld. The thrust was keenly felt and the awkward and embarrassing attitude of the Court was reluctantly admitted. One of the justices who had concurred in the Grange opinions, delivered the opinion in this case. He says:

"It cannot be denied that the general language of the Court in these (Grange) cases, upon the power of Congress to regulate commerce, may be susceptible of the meaning which the Illinois Court places upon it."

After quoting the language of the Court in these cases, he further says:

"These extracts show that the question of the right of the State to regulate the rates of fares and tolls on railroads, and how far that right was affected by the commerce clause of the Constitution of the United States, was presented to the Court in those cases. It must be admitted that, in a general way, the Court treated the cases then before it as belonging to that class of regulations of commerce which, like pilotage, bridging navigable rivers, and many others, could be acted upon by the States in the absence of any legislation by Congress on the same subject."

The Justice did himself and the truth of history great violence when he intimated that the Grange cases were not fully considered and ably contested on both sides of the controversy, The litigation at the time attracted universal attention throughout the country and the ablest counsel known to the legal profession in America were employed to manage the contention. The Justice further gave utterance in this case to the following remarkable language:

"Of the members of the Court who concurred in those opinions, (Grange) there being two dissentients, but three remain and the writer of this opinion is one of the three. He is prepared to take his share of the responsibility for the language used in those opinions, including the extracts above presented. He does not feel called upon to say whether those extracts justify the decision of the Illinois court in the present case."

What did the learned judge mean by the statement that there were but three justices then upon the bench who had participated in the Grange cases? What had that fact to do with the Constitution? Are we to have a new interpretation of that instrument every time we have a change of judges? The Justice unwittingly disclosed the fact that the Court, as at present constituted, is hostile to the Grange decisions. His language and the decision which he was then promulgating render this conclusion inevitable.

We submit that language like this is not becoming in a Court whose members hold their positions by the life tenure. What responsibility could this judge assume? Both he and the Court for which he was speaking were beyond the reach of the ballot box; they could not be impeached for judicial opinion expressed in a cause properly brought before them. There was no responsibility except a moral one which he or they could possibly assume. There was no atonement which the Court or this justice could possibly make for any evil which a wrongful decision might inflict. It is always the unoffending people who are wounded and bruised for transgressions of this character. But why did neither the Justice nor the Court feel called upon to say whether the decisions in the Grange Cases justified the ruling of the Illinois Court? Both the State Legislature and the State Court had acted in strict conformity to the Grange decisions and relied implicity upon them. They were urged vehemently in the case as conclusive of the whole contro-

versy. If the Illinois Court had not misapplied the decisions in the Grange cases, its ruling must be upheld until the Federal decisions were themselves overthrown; and yet the justice, speaking for the Court, refused to say whether or not the State Court was warranted in making this application! This was the vital point in controversy. Was it a trifling matter that the Legislature of the State of Illinois, the people thereof and the State Court had all been deceived and mislead by the Supreme Court of the United States and by the very judge who was delivering the opinion? Could judicial arrogance be more pronounced or offensive? It was little dreamed that this tribunal, without the courage to so avow, was about to nullify the solemn act of a State Legislature, the adjudications of the State Court made in conformity thereto, and its own deliberate decisions upon which both had been based. No wonder that Chief Justice Waite, Justice Bradley and Justice Gray refused to join in or be compromised by such an extraordinary decision.

There is now but one Justice remaining upon the bench who concurred in the Grange decisions of 1876—Mr. Justice Bradley. Chief Justice Waite and Justice Miller having died since this decision in the Wabash case was rendered.

Mr. Justice Bradley stands as steadfast as Gibralter, but, alas! he stands alone, powerless to arrest the influx of the tidal wave. The Supreme Court is the highest point in our Federal system. When it is submerged by the corporations what must necessarily be the status of the people who move in the humbler and lower walks of life?

On March 19, 1888, the case of Bowman *vs.* Chicago & Northwestern Railroad Co., was decided, 125 U. S., 465. Section 1553 of the Code of Iowa, as amended by Chapter 143 of the Acts of the Twentieth General Assembly of

1886, forbade common carriers to bring intoxicating liquors into the State from any other State or Territory, without first being furnished with a certificate as described in the act. This law was declared unconstitutional as being essentially a regulation of commerce among the States. Its unconstitutionality did not result from any conflict with the legislation of Congress, for that body had taken no action, but simply from its repugnance to the mere grant of power to Congress by the Constitution. This decision was tantamount to a declaration by the Court that the grant of power to Congress is of itself a prohibition to the States and renders all such enactments null and void. It was in direct conflict with the unbroken decisions of the Court upon that question for three-quarters of a century, as already shown. The opinion in this case was by Mr. Justice Matthews, whose elevation to the bench, as has been seen, was surrounded by circumstances well calculated to awaken public apprehension. There was an elaborate concurring opinion also by Mr. Justice Field. The fact that this case related in one of its phases to the suppression of the sale of intoxicating liquors had no influence whatever upon the Court. It involved purely and simply the right of a State, in the absence of action by Congress, to legislate at all upon this class of questions. The state of affairs foreseen by the Honorable David Davis was rapidly becoming manifest. Chief Justice Waite, Justice Harlan and Justice Gray stoutly dissented, for the reason that the ruling was in effect a reversal of the Grange decisions to which they still adhered. It was directly in conflict with the opinion in the case of Pierce *vs.* New Hampshire, rendered by Chief Justice Taney, in 1847, before referred to in this chapter and in point blank contradiction of the utterances of the Court in the Robbins case, 120 U. S., 493, where the Court made use of the following language:

"It is an established principle that the only way in which commerce between the States can be legitimately affected by State laws, is where, by virtue of its police power and its jurisdiction over persons and property within its limits, a State provides, for the security of the lives, limbs, health and comfort of persons and the protection of property; or where it does those things which may incidentally affect commerce, such as the establishment and regulation of highways, canals, wharves, ferries and other commercial facilities, * * * or by the passage of laws to restrict the sale of articles deemed injurious to the health or morals of community."

Moreover, it was as suggested by the dissenting judges, squarely in conflict with the opinions in the Grange cases, and with the whole line of opinions from the organization of the Court in 1790 down to 1876, concerning the power of State Legislatures to enact such laws before the dormant force of the Constitution was awakened by Congressional action. But the ruling in this case created no surprise at the bar, at least among those who were watching closely the current of events. All observant members of community well understood that the opinion in the Wabash case, above referred to, marked the period when the Court had adroitly about-faced upon the real question in controversy in this case, and of course no retrogression could now reasonably be anticipated.

Quickly following this judicial fulmination came the celebrated Iowa original package decision, which upset the New Hampshire case decided in 1847, and blasted State laws and judicial rulings which had flourished and been accepted for more than two generations.

The next important adjudication was in the case of the Chicago, Milwaukee & St. Paul Railway Company *vs.* the State of Minnesota, *ex rel*, the Railroad and Warehouse Commissioners of that State. This judicial pronunciamento

was delivered March 24, 1890, by Justice Blatchford, who was appointed in 1882. An act of the Legislature of the State of Minnesota approved March 7, 1887, created a commission to be known as the "Railroad and Warehouse Commission," to consist of three persons to be appointed by the Governor, by and with the advice and consent of the Senate. The first section expressly limited the operation of the act to traffic between points within the State. The second section declares "that all charges made by common carriers, subject to the provisions of this act, * * * shall be equal and reasonable; every unequal and unreasonable charge for such service is prohibited and declared to be unlawful." The eighth section provides that in case the Commission shall find at any time that any part of the tariffs of charges, filed and published by any common carrier, is in any respect unequal or unreasonable, it shall have the power, and is authorized and directed, to compel any common carrier to change the same and adopt such charge as the Commission shall declare to be equal and reasonable; to which end the Commission shall, in writing, inform such carrier in what respect such tariff of charges is unequal and unreasonable, and shall recommend what tariff shall be substituted therefor, and their action shall be final; that in case the carrier shall neglect for ten days after such notice to adopt such charges as the Commission recommends, it shall be subject to a writ of mandamus, to be issued by any judge of the Supreme Court, or by any of the District Courts of the State, on application of the Commission. And the Commission may apply also to any judge for an injunction as against the carrier to restrain him from carrying on business within the State until they shall have complied with the requirements of law and the recommendations of the Commission. Certain other penalties, such as costs and counsel fees, were also to be inflicted.

In June, 1887, the boards-of-trade union of four different municipalities made complaint in writing that the Chicago, Milwaukee & St. Paul Railway Company, a common carrier doing business in the said State, was charging unequal and unreasonable rates for the transportation of milk, and specified with great particularity the facts upon which they based their complaint. The railway company was duly apprised by the Commission of the nature of the complaint, and appeared by its attorney on the day set for hearing. An investigation was had and the Commission pursued in all respects the line of procedure pointed out by the statute. The Commission found that the rates charged, three cents per gallon, was unequal and unreasonable, and decided and prescribed two-and-a-half cents per gallon as equal and reasonable, and directed the company to adjust their charges accordingly. The demand was refused. In December, 1887, application was made to the Supreme Court by the Attorney-General of Minnesota for an alternate writ of mandamus to compel the company to comply with the recommendations of the Commission and to change its tariff rates and to adopt the rate declared by the Commission to be equal and reasonable. The writ was accordingly issued. The company filed its return to the writ, setting up, first, that it was not competent for the Legislature of Minnesota to delegate to a Commission the power of fixing rates for transportation, and that the act under which it was done was void under the Constitution of the State; second, that the company, as the owner of its railroad, franchises, equipment, and appurtenances, and entitled to the possession and beneficial use thereof, was authorized to establish rates for the transportation of freight and passengers, subject only to the provisions that such rates should be fair and reasonable; that the establishing of such rates by the State, against the

will of the company, was *pro tanto* a taking of its property and depriving it thereof, without due process of law, in violation of section 1, of article 14, of the amendments to the Constitution of the United States; that the making of the order of October 13, 1887, was *pro tanto* a taking and deprived the company of its property without due process of law, in violation of said section 1, and therefore void and of no effect.

That the rate of three cents per gallon as a freight for carrying milk in ten gallon cans on passenger trains from Owatonna and Fairibault respectively, to St. Paul and Minneapolis, was a reasonable, fair, and just rate; and that the rate of two and a-half cents per gallon in ten gallon cans so fixed and established by the Commission, was not a reasonable, fair or just compensation to the company for the services rendered, and that the establishing of such rate by the Commission against the will of the company was, *pro tanto*, a taking of its property without due process of law.

The case came on for hearing and the company applied for a reference to take testimony on the issue raised by the allegations as to whether the rate fixed by the Commission was reasonable, fair, and just. The court denied the application and ordered that a peremptory writ of mandamus issue. The terms of the writ were in all respects in accordance with the provisions of the Minnesota statute, and directed the company to change its rates. The railroad at once took the case to the Supreme Court of the United States on writ of error for review. The cause came on for hearing at the October term, 1889, but the decision was not promulgated until March 24, 1890. The decision of the Supreme Court of Minnesota, and the statute upon which it was based, were overthrown. In delivering the opinion of the court Justice Blatchford says:

"The question of the reasonableness of a rate of charge for transportation by a railroad company, involving as it does the element of reasonableness both as regards the company and as regards the public, is eminently a question for judicial investigation, requiring due process of law for its determination. If the company is deprived of the power of charging reasonable rates for the use of its property, and such deprivation takes place in the absence of an investigation by judicial machinery, it is deprived of the lawful use of its property, and thus, in substance and effect, of the property itself, without due process of law and in violation of the Constitution of the United States; and in so far as it is thus deprived, while other persons are permitted to receive reasonable profits upon their invested capital, the company is deprived of the equal protection of the laws. * * *

"The issuing of the peremptory writ of mandamus in this case was, therefore, unlawful, because in violation of the Constitution of the United States."

No point is made by the Court that it is not within the power of the Legislature to authorize a commission to fix arbitrarily the rates. The law is held to be void because it did not provide for a judicial investigation as to the reasonableness of the rates. For that reason they hold that the company was deprived of its property without due process of law, and so, by precisely the same reasoning, it would have been if the Legislature had itself, by statute, fixed the rate at two-and-a-half cents per gallon.

It is a significant fact that the Court does not cite a single authority in this case in support of its decision. It may well be silent; for by means of this ruling the Court has retraced its steps and quietly returned to the ground occupied by Justice Field and the other dissenting judges, in the Grange cases, in 1876.

Mr. Justice Bradley, the only surviving member of the Court who concurred in the Grange decisions, delivered a

dissenting opinion in this case, in which Justices Gray and Lamar concurred. We quote from it as follows:

"I can not agree to the decision of the court in this case. It practically overrules Mann *vs.* Illinois (94 U. S., 113), and the several railroad cases that were decided at the same time (the Grange cases). The governing principle of those cases was that the regulation and settlement of the fares of railroads and other public accommodations is a legislative prerogative and not a judicial one. This is a principle which I regard as of great importance. When a railroad company is chartered, it is for the purpose of performing a duty which belongs to the State itself. It is its duty and its prerogative to provide means of intercommunication between one part of its territory and another and this duty is devolved upon the legislative department."

"In the case of Davidson *vs.* City of New Orleans (96 U. S., 97), we decided that the appointment of a Board of Assessors for assessing damages was not only due process of law, but the proper method for making assessments to distribute the burden of a public work amongst those who are benefited by it. No one questions the constitutionality or propriety of boards for assessing property for taxation, or for the improvement of streets, sewers and the like, or of commissions to establish county seats, and for doing many other things appertaining to the administrative management of public affairs. Due process of law does not always require a court. It merely requires such tribunals and proceedings as are proper to the subject in hand. In the Railroad Commission Cases (116 U. S., 307,) we held that a Board of Commissioners is a proper tribunal for determining the proper rates of fare and freight on the railroads of a State. It seems to me, therefore, that the law of Minnesota did not prescribe anything that was not in accordance with due process of law in creating such a board, and investing it with the powers in question."

"It is complained that the decisions of the board are final and without appeal. So are the decisions of the Courts in the matters within their jurisdiction. There must be a final tribunal somewhere for deciding every question in the world. Injustice may take place in all tribunals.

All human institutions are imperfect—Courts as well as Commissions and Legislatures. Whatever tribunal has jurisdiction, its decisions are final and conclusive unless an appeal is given therefrom. The important question always is, what is the lawful tribunal for the particular case? In my judgment, in the present case, the proper tribunal was the Legislature, or the Board of Commissioners which it created for the purpose."

"I am authorized to say that Mr. Justice Gray and Mr. Justice Lamar agree with me in this dissenting opinion."

The decision in this case created great indignation among the people of Minnesota, and indeed throughout the whole country where its full meaning was understood.

Incidents which point to a rapidly approaching National crisis are now almost of daily occurrence. The constant accretion of power resulting from the disposition of this Court to amplify its own jurisdiction, to obliterate State authority, to deny the power of the States to regulate their own affairs, to set bounds to the exactions of their own domestic corporations and to deny to Congress the authority to interpret the Constitution for itself, are among the ever recurring and ominous phenomena of our day. Mr. Jefferson said this Court would become a despotism if accorded the power which it claimed. We may well inquire whether his prediction has not been fulfilled.

Are we never to know what our Constitution means? It is made to signify one thing to-day and another to-morrow. The Court interprets it and that stands, perhaps, as the law for generations. Meantime the State legislatures, State courts, Congresses, Executives, heads of departments—in fact the whole people accept it and mould their institutions accordingly. Finally new light is discovered and a new interpretation evolved, and institutions, whose growth has extended through the greater part of the Century, are plucked up by the roots and the social structure

turned upside down. We have a written Constitution, but the slave power claimed it for its own. Of late corporations have taken refuge behind it. It will be the dawning of a glorious day when the monopoly-ridden people shall be able to use it as their own shield and buckler. But as at present interpreted, when we want fixedness of law we find ourselves standing upon shifting sands, and the jurisprudence of one generation becomes the pitfall of the next.

SUPREME POWER IN THE STATE DEFINED.

Municipal law is defined by all writers on jurisprudence, to be a rule of action prescribed by the supreme power in a State. Hence, it follows that the supreme power is the legislative—the law-making power. The Judiciary is certainly not the supreme power in the State. Manifestly it is a subordinate power. Its office is to interpret the will of the Legislature and to issue final process to make that will effective. In the absence of an express Constitutional provision, the interpretation given to that instrument by the law-making department should control. Indeed this is the theory upon which the courts profess to proceed, but it is not the practice. Both the law-maker and the judge take an oath to support the Constitution, and there is nothing to interpret until the legislative department has acted. The legislator must necessarily first interpret the Constitution. In case of difference of opinion between the legislator and the judge, the legislative interpretation should stand, for the reason that the Court is not the advisor of the Legislature, but merely translates its will. Should the Legislature err, the wrong can be righted by an appeal to the people and to the ballot-box; but who shall deliver us from the errors and usurpations of the Court of Last Resort, since they hold their positions by the life tenure and are not subject to elective control!

The most embarrassing feature of American civilization—the real danger point in this era, is to be found lurking just where the last generation found it—in the conflict between the Legislative and the Judicial departments of the Government. Every reform now pressing for recognition before the people and our law making bodies, State and National, is liable to find a foe ambushed in our Imperial Supreme Court. Freedom has been fired upon before from this same fortress and she is likly to again encounter a similar experience. Henry Clews, a prominent capitalist of New York, in one of his weekly circulars sent out to banking and speculative circles February 7th, 1891, said:

"It is true that, alongside these unexpected favorable developments in railroad interests, there is the disheartening revival of hostile State legislation both by the Grangers and Farmers' Alliance; but these attempts will be met with a thoroughness of opposition and with an application of Constitutional tests, both State and Federal, which will at least soon settle for the whole country what can and what cannot be done by this destructive sort of warfare. The probability seems to be, within a few months, there will be a great body of legal decisions showing that the farmers' conception of what constitutes 'reasonable charges' for carriage is something very different from the conception of the courts."

We distinctly remember that this same Court and Dred Scott once differed in their conceptions of human rights under our Constitution. But Dred Scott's views are now generally accepted. It is probable that the controversy between the farmers and the Court will end in the same way.

The constant friction between our highest legislative bodies and the Court is calculated to precipitate a dangerous conflict just at the point where we have the right to expect fixedness and tranquility. The assumptions of the

Court exalt the Judicial above the Legislative power and introduce into Society confusion and distrust. It is the destruction of the very thing which we aim to secure by Popular Government. It dethrones the people who should be Sovereign and enthrones an oligarchy. The warning uttered by Mr. Jefferson, in the letter set forth in this chapter, was the result of his unclouded knowledge of human nature and of his clear comprehension of the functions of Democratic Government.

The latest case which has come to the attention of the writer is that of Charles Counselman *vs.* Frank Hitchcock, Marshal of the Northern District of Illinois, decided early in January, 1892. Counselman is a wealthy grain dealer, engaged in operating elevators and buying and shipping grain. It was charged that he was receiving special rates or rebates from the railroads for the shipment of his produce. He was directed to appear before the Inter-State Commission and testify touching the matter. He declined to do so on the ground that he was a member of the company and could not be compelled to testify against himself. The decision sustains Counselman. This ruling exhibits the utter folly of attempting to harmonize individual avarice with the public welfare, and it practically nullifies the Inter-State Commerce law. This is probably one of the decisions which Mr. Clews promised was in store for the people.

It is hoped that the thoughts expressed and facts portrayed in this chapter may, in some degree, aid in arousing the people to a sense of the serious dangers which now confront them. Courts should be held to their proper sphere as interpreters of the law. It was not intended that they should blossom into law makers. When the Constitution is silent Congress must be the sole judge of its own implied powers. State Legislatures must also be permitted to pro-

tect the people from corporate tyranny. A Century of experience shows that new safeguards should be provided and the great Tribunal must be brought back to a sense of its accountability to the people.

NOTE—Mr. Justice Bradley died while this work was in press. This leaves the Court without a single member who concurred in the Grange decisions of 1876.

CHAPTER IV.

IMPROVIDENT DISPOSAL OF PUBLIC LANDS.

All men have a natural right to a portion of the soil; and as the use of the soil is indispensable to life, the right of all men to the soil is as sacred as their right to life itself.

The public lands of the United States belong to the people and should not be sold to individuals nor granted to corporations, but should be held as a sacred trust for the benefit of the people and should be granted in limited quantities, free of cost to landless settlers.—*Free Soil Platform, 1852.*

At the commencement of the Government the broad expanse of National territory was regarded merely as a source of revenue. To realize money from the sale of lands would relieve the people of an equal amount of taxes. In order therefore that taxes might be light, the possessors of private wealth were allowed to possess themselves of public lands at nominal prices and without limit of quantity. The subsequent purchasers—the farmer and producer—forestalled by the private cash purchaser from the Government, had therefore to pay, in the price given by him, not only the taxes which the people escaped, but interest as well, and as much profit as the transaction would bear. This was the "political economy" of the period—the orthodox political economy of all periods—the principle being to relieve accumulated property from all burdens, and to place all accumulated burdens upon labor and production.

The first method adopted, therefore, for the disposal of public lands was by public and private sale. This system was applied to the Northwest territory, then to land south of the Ohio River, then to the Louisiana purchase and to Florida, and finally to California. Congress apparently forgot to apply it to New Mexico, Utah, Colorado and other States and Territories, or portions of them, outside of the Louisiana purchase; but this slight omission in the law was remedied by the Interior Department, which, without legal authority, offered and disposed of at public and private sale much valuable land in those regions. Under the cash system, a large portion of land in the earlier public land States, as well as in the later ones, was sold to capitalists and speculators. As population increased the demand for land increased and various expedients were adopted to more rapidly dispossess the United States of its priceless public domain. And in all these expedients, some good on their face, and others flagrantly bad at the start, speculation and monopoly were fostered and encouraged at the expense of actual tillage of the soil. The pre-emption law, originally devised for the protection of settlers against cash purchasers, was soon made the instrumentality of obtaining lands for speculation. The first development of systematic fraud under this law was in the South, the attention of Congress having been called to pre-emption frauds in Mississippi as early as 1843, when a statute was passed for local investigation. (5th Statutes, 519.)

The issue of Military bounty land warrants, consequent upon the war with Mexico, opened a wide field of speculation. With the usual short-sightedness of small economists it was thought a world of wisdom to save money to the Treasury by giving land bounties to soldiers instead of cash. These bounties did the soldier little good. Land warrants calling for one hundred and sixty acres were

sold for $50, and years passed before the soldiers realized so much as $100 for their warrants. The small sums of money received by them were the merest trifles, but the lands passed to large land holders and served to build up great plantations in the South, and to augment speculative holdings in the West by securing individual control of valuable lands through the location of such warrants. Military warrants to the amount of seventy million acres, covering an area as large as the six New England States, with New York added, have been issued by the United States, very few of which have ever been located on land by the soldiers themselves or their heirs. They were made assignable for speculative purposes, and, being assignable, were used in a vast number of cases for purposes of speculation and monopoly.

In 1854, a gigantic land scheme, to acquire public lands in quantity for next to nothing in price, was consummated by the passage of the "graduation act," by which lands that had been in market for certain terms of years were sold at prices ranging down from $1.00 to twelve-and-a-half cents per acre. Twenty-five million acres were sold at these prices, chiefly in the South, before the war.

Following the cash and pre-emption system and the bounty land expedient, came the colossal swamp land grant, State grants for various purposes, and railroad land grants, through all of which bodies of land larger than some European kingdoms passed into the hands of rich real estate owners. Following these methods of despoiling the Nation of its public lands came the speculative device of Homestead commutation, the Timber culture law, the Desert land act, and a great variety of scrip and other land granting schemes, all tending to the one common end —robbery of the public lands.

GRANTS TO STATES FOR PUBLIC PURPOSES.

The policy of making grants of land to new States upon their admission into the Union has been regarded as commendable, and the results of such donations presumed to be beneficial to the whole community. The disadvantages do not appear to have been considered. Guarantees were not usually demanded that the proceeds should be used for the purposes intended, nor was care taken that the States got the full benefit of the proceeds. Checks were not placed upon the aggressive cupidity of transferees and agents, to prevent fraudulent claims upon the United States for the benefit of corporate interests succeeding to the State grants. And greater than all, the advantages to land monopoly and the additional cost of the land to its actual inhabitants, have never been measured. The granted lands for the most part have been obtained by actual occupants and cultivators, from speculative purchasers from the States or their grantees to whom sales were made in large quantity. The low price at which the lands have been sold by the State to capitalists and the grants which have been made by the States to corporations, have served the purposes of speculation and monopoly and thrown resulting burdens upon the people. That these have been the chief uses made of many of the beneficient grants, conspicuously the internal improvement, swamp, agricultural college, and school indemnity grants, is indisputable.

INTERNAL IMPROVEMENT GRANTS.

It is well known that these grants have, as a rule, been monopolized by capitalists who obtained the lands from the States by large purchases at trifling sums. It is apprehended that in some of the States it would be difficult to

trace the disposition of the internal improvement funds, while there is no evidence in possession of the Government that whatever proceeds were derived by the States were used for the purposes intended. But there is little doubt that the farmers who actually obtained the lands did so only at speculative prices, and that the Government donations to the States resulted in an exaction from the farmers of the whole difference between Government prices and the sums actually paid by them to speculators.

THE SWAMP LAND GRANT.

This grant was made in 1849–50 to enable the several States then in the Union "to construct the necessary levees and drains to reclaim the swamp and overflowed lands therein." It was supposed that the grant would cover twenty-five million acres, and that the donation would support vast public improvements beneficial to the States, particularly to those on the Mississippi River. It is not known that any such improvements resulted from the grant, but the amount of lands thus far claimed under it is seventy-five milllion acres, an area more than equal to fifteen states of the size of Massachusetts, of which forty-seven million five hundred thousand acres are in the States of Alabama, Arkansas, Florida, Louisiana, Mississippi and Missouri, and twenty-eight million two hundred thousand acres in the States of California, Illinois, Iowa, Michigan, Minnesota, Ohio, Oregon and Wisconsin. Fifty-eight million seven hundred thousand acres have been (1889) patented or certified to the States, and about eighteen million acres, equal to the area of the Territorial empire of Montana were pending in the Land Office when this chapter was written.

This grant may be regarded as a public disaster to the States receiving it, benefiting chiefly speculators and cor-

porations, taking away from the people homesteads and settlement rights under general laws of the United States, and resulting in no appreciable work of reclamation. In some instances, as in Florida and Minnesota, the swamp grant has been transferred by States to railroad companies which had already received donations of land greater in market value than the actual cost of the construction of the roads; and it appears to be the rule, as shown by the reports of the Commissioner of the General Land Office, that the best agricultural lands are largely claimed and have been obtained under the swamp grant, while settlers seeking such lands have been compelled to buy at speculative prices from the holders of the State claims. The same rule holds good as to timber lands, immense grants of which have been acquired by States under this grant, disposed of to capitalists and timber speculators, at nominal prices, and held for great advances in value, to be paid by consumers.

When not given outright to corporations, lands have been sold to first purchasers at prices ranging from twelve-and-a-half cents to $1.00 per acre. At what prices they get into the hands of actual inhabitants can only be conjectured, but may be estimated to range from $5.00 to $10 per acre on ordinary private sales, up to whatever price especially valuable lands may command. The States receive an average of say from fifty to sixty cents per acre, while the actual occupier and user of the land must pay not less than $5.00 per acre, as a low average. The account then stands thus:

Total volume of grant (acres)	75,000,000
Possible net result to States	$ 45,000,000
Probable actual cost of the land to final purchasers from State grantees	$375.000,000

Such are some of the practical results of the swamp land grant.

Commissioner Sparks asserts that the Swamp land grant has been a prolific source of fraud and corruption. He says:

"Personal interest has prompted the grantees of the States to exert all possible means to swell their claims, and their plans have been made largely successful by the aid of a loose administration of the laws.

"Agents undertake the prosecution of the claims upon commissions, amounting in some cases to fifty per cent. of the proceeds, and, invested with authority to represent the State, make selections of land or file claims for indemnity, which they insist is due the State, and manage to enlist the representatives of the State in support of their demands. They have thus succeeded in carrying their selections through and obtaining patents, or money indemnity, for many tracts of land which are as valuable for agricultural purposes, or for timber or minerals, as any in the United States, upon the alleged ground that the same are rendered unfit for cultivation by reason of their swampy character or liability to overflow.

"Experience has demonstrated the fact that reports of former agents of this office are quite generally unreliable, and in nearly every case a re-examination is necessary to ascertain the true character of the land.

"Out of forty-five tracts in Oregon reported to be swamp land by an agent of this office in 1883, thirty-eight were found, upon re-examination by the present agent, to be dry land, most of which can be greatly improved by irrigation.

"A recent report shows that about thirty-four thousand acres of land in the same State, approved upon the reports of a former agent, were fraudulently reported as swamp, and were undoubtedly not within the terms of the grant, being mainly hills, mountains, or sage brush plains, selected for the real purpose of securing the approaches to the waters of lakes, rivers and creeks. The most unblushing frauds have been practiced in the selection of alleged

swamp lands by parties claiming as purchasers of swamp lands from the State. By means of false affidavits, fraudulent surveys, and bribery of agents, these parties have managed to obtain control of most of the lands bordering on lakes and water courses, shutting out intending settlers from access to water, and illegally monopolizing for pasturage thousands of acres of public lands without payment of a dollar to the Government; and settlers who, notwithstanding the difficulty of obtaining water, have gone upon these lands, even when not selected as swamp, are threatened and often driven off by violence, while their crops are levied upon under color of a pretended title from the State. I am glad to be able to report that six indictments for forgery, and three for conspiracy to defraud the Government, have been found against persons connected with these frauds, and only regret that the statute of limitation prevents the punishment of the parties who have realized the most of the profits of their crimes." (Land Office Report, 1887, p. 38.)

Referring to similar examples in 1886, the Commissioner said:

"The reckless method of swamp and swamp-indemnity selection, demonstrated in the foregoing examples, which apparently proceeds upon the theory that no claim upon the Government can be too excessive, floods this office with a vast amount of unnecessary work, and involves the Government in a continued expense in establishing by examination and evidence the validity or falsity of claims many of which are *prima facie* without merit.

The instances above cited are in no respect exceptional. They may be regarded as examples of the general character of swamp land and swamp-land-indemnity claims with which this office is overwhelmed, and as a fair index of claims which for years past have been approved."—*Land Office Report 1886, p. 43.*

"Swamp selections, work reservations of the land until the alleged claim is disposed of, and settlers are compelled to institute contests to save their land or secure the right of entry. The general result of contests against existing

swamp-land claims is that in 75 per cent of the cases tried, the swamp selection is rejected upon testimony taken at hearings, thus further proving the unfounded if not fraudulent character of the original selections."—*Ibid, p. 41.*

In making original swamp selections it appears to be the present practice of State agents to select the entire body of lands in the vicinity of rivers and creeks, as well as all classed by the surveys as low, wet and bottom lands, and to demand the approval by this department of such claims. —*Ibid p. 41.*

One-half of the entire area of Florida is claimed under the swamp land grant, and nearly half of the entire state has been patented under that grant, but it has yet to be learned that the State has ever expended one dollar of the proceeds in the reclamation of the swamps and overflowed lands, the major part of which probably remain in the Government, it being pretty well understood that the swamp claim takes the good land, leaving the bad to be hereafter developed by public contribution. In this state the grant was transferred by the Legislature to railroad companies who made the selections, railroaded the patents through the Land Office, and, with their agents and collusive assignees, became the landed proprietors from whom those seeking orange groves or homes in Florida's luxurious climate must make their purchases. The United States has little or no good land to dispose of in Florida—the railroads have—but the condition of railroad service in that state does not indicate that the proceeds are used for any public advantage.

In Illinois, whose proud boast it is that there are no naturally uncultivable lands in its broad domain, nearly one-eighth of its territory has been claimed as swamp. In Wisconsin, one-eighth of the territory of the state has been claimed as swamp. In Iowa, one-eighth is so claimed. In Missouri, more than one-tenth. In Michigan, one-fifth. In

Arkansas, one-third- While in Louisiana nearly one-half of all the land in the state has been solemnly sworn to as "swamp and overflowed, and rendered thereby unfit for cultivation." In this state it is understood that a late governor made a contract with his brother by which the state pays to the gubernatorial relative fifty per cent. of all that can be obtained from the United States under the swamp land grant. Other States, as reported by the Commissioner, are said to pay from ten and fifteen up to forty per cent. for the same purpose. (Land Office Report 1885, page 46.)

These agents and their attorneys, masquerading in the name of the state, and sometimes with the interested influence of the State Executives behind them, have haunted Congress for years to procure legislation extending the indemnity provisions of the swamp land grant so as to cover the intervening period between 1857 and the present time.

To disclose the enormity of this scheme, its utter want of foundation, and precisely what it means, it is necessary to recur to the original measure.

Upon the passage of the swamp land act in 1850, the states caused selections to be made *en masse* of lands claimed as swamp, sweeping in the rich arable valleys, and the homes and improvements of thousands of settlers. The Supreme Court with its customary leanings in favor of "grants," quickly decided that the swamp act made a grant *in presenti*, taking effect at its passage, and conveying a perfect title by operation of law. Settlers and intending settlers were caught in the toil. Those who had not gone upon and selected land could not do so, although they might know them to be high and dry, for the approval of the selections by the General Land Office and the Department of the Interior was a mere matter of routine. They

were all approved. Those who had gone upon good agricultural land—and it may be safely presumed that none had gone upon any other, were compelled to remove or buy their lands from state claimants. In some cases and before the doctrine of "present grant" had culminated in the cancellation of settlement entries conflicting with the swamp claim, a few patents had been issued to settlers for lands embraced in the subsequent "swamp" selections. Here was opportunity for magnifying the swamp steal under the pretext of "relieving settlers," and in 1855, an act was passed confirming to the few settlers who had obtained patents the land which had probably belonged to them without confirmation, and allowing the states indemnity in lands or money, as the case might be, for the "swamp lands so lost" to the grant, at the same time adroitly confirming to the states all their selections of dry land. This measure was pending two years before its passage, during which time selections of dry lands were crowded into the Land Office in anticipation of such result. The Surveyor General of Missouri, protesting at the time against the passage of the "relieving" act, declared that if it became a law "the mountain tops would be claimed as swamp." The act passed, and by a trick of legislative legerdemain was afterwards extended to 1857. It is needless to say that the prediction of the Surveyor General of Missouri became literally true. Commissioner Sparks says:

"From the commencement of proceedings under the swamp-land grant, selections have been made to include large amounts of land not swamp, and by the acts of March 2, 1855, and March 3, 1857, Congress sought to close the matter of confirming the selections that had been made up to that date. Notwithstanding this, claims for large amounts of land which by no means fell within the terms of the original grant have continually been presented.

The acts of March 2, 1855, and March 3, 1857, also provided for indemnity for swamp and overflowed lands disposed of by the United States between the date of the grant and the date of said acts, and, through the practice of presenting broadcast claims under these acts, $1,500,000 in money has already been drawn from the Treasury, and upwards of 570,000 acres of land patented as indemnity." —*Land Office Report, 1887, p. 37.*

THE AGRICULTURAL COLLEGE GRANT.

This was the best regulated of all the grants made to the States, Congress having made provision in the act to secure the college funds, but in this case as in others, the cost of the land to the purchasers from the grantees of the States has made the donation an expensive experiment—to them. A total of about ten million acres has been granted for Agricultural Colleges. The aggregate funds derived by the States from this source amount to little more than seven million dollars. (See The Public Domain, First Edition, pp. 220–231, and subsequent Land Office Reports.) The average is about 75 cents per acre. As the great body of the locations under this grant was made at a time when the most valuable lands of the Government were subject to such location, and as selections were made of choice timber lands as well as of select agricultural lands, it is fair to estimate that but a small portion of these lands would get into the hands of final purchasers from State grantees at a less price than five dollars per acre. In other words it is fair to say that to put seven million dollars into Agricultural College funds by means of this grant, has probably cost the farmers and producers of the country nearly $50,000,000 in the enhanced price they have paid for their lands above the Government price at which the same land could have been obtained, had there been no such grant.

INDEMNITY AND COMMUTATION SCHOOL GRANTS.

In 1886 an act was passed giving to the State of Nevada two million acres of land to be selected at pleasure, in lieu of its grant of sixteenth and thirty-sixth sections for common schools. This act was advocated on the plausible ground that so much of the state was mountainous and the land not adapted to agriculture, that school sections in place were of little value, and, for the laudable purpose of promoting education the state should be permitted to give up its worthless school selections and to select good land instead. The practical result is thus tersely stated in the Report of the Commissioner of the General Land Office for 1886, page 13:

"The grant by Congress of two million acres to be selected by the State in lieu of sections sixteen and thirty-six will, it is believed, *absorb the whole of, and probably more than, the available agricultural lands and principal sources of water supply*, LEAVING THE REMAINDER OF THE LANDS OF THE STATE PRACTICALLY IN THE POSSESSION OR CONTROL OF THE PURCHASERS OF THE STATE SCHOOL LANDS. The surveys that are urged in this State are desired chiefly for the benefit of such purchasers. *The result of this legislation and situation must necessarily be the prevention of the settlement of the country* AND THE PERMANENT INDUSTRIAL AND POLITICAL CONTROL OF THE STATE BY A SMALL BODY OF LAND SYNDICATES AND CATTLE CORPORATIONS."

It is understood as a fact that large schemes had been organized in pursuance of the plan of seizing the State under this legislation which was pretended to be for the benefit of common schools, and that the United States Surveyor General was one of the parties having large contracts for the purchase of school lands; also that he had caused certain lands to be retained as surveyed in order to consummate purchases, and that this particular branch of the con-

spiracy was defeated by the discovery that the surveys were fraudulent. (Land Office Report, 1887, pp. 236 to 240.)

Concurrently, also, with the passage of "The Lien Act" a special appropriation of $30,000 was made "for the survey of public lands in Colorado," which the schemers expected to utilize for their purposes, and it is shown by the Land Office Records that the Surveyor General urged the speedy use of the money to enable the State to sell the lien land, which meant to enable the syndicates to make ring purchases of these lands. It appears that the money was not used as these persons desired, and this caused a virulent Senatorial attack upon the Land Office at the next session of Congress, showing the disappointment then experienced. It is inevitable that the lien grant to Nevada must be the perpetual curse of that State, since it places in the possession of capitalistic purchasers the most available lands susceptible of cultivation and a monopoly of the waters of the State. The future tiller of the soil must perforce become a serf of the land barons created by this school grant.

ALABAMA COAL AND IRON LANDS.

In 1881-2-3 an extensive conspiracy was developed, having for its purpose the capture and monopoly of hundreds of thousands of acres of valuable coal and iron lands in Alabama through fraudulent pre-emption and homestead entries. Foreign capital to the amount of millions of dollars was enlisted in this "business enterprise." Investigations were made by agents of the Land Office, and numerous suits, civil and criminal, were brought against the wealthy perpetrators of the frauds. It was necessary that something should be done to save the "interests of capital," and to protect "vested rights," which had been acquired by fraud and perjury. Accordingly a bill was introduced

in Congress to "relieve the State of Alabama from the operation of the mineral laws." This bill became a "Senatorial issue," and was carried through by the personal efforts of distinguished statesmen, representing the coal and iron companies, and became a law in 1883, but not, as understood, until certain other distinguished statesmen had been admitted to a share in speculative enterprises connected therewith.

The object of this act was to dismiss all pending suits and investigations, charge up to profit and loss account of the Government, the large sums of money that had been expended in futile efforts to protect these valuable lands, and to turn over to capitalists whole counties of coal fields and vast beds of iron ore at $1.25 per acre, instead of compelling them to pay $5 per acre for iron lands and $10 and $20 per acre for coal lands, as the mineral laws required. A small body of the lands, perhaps from fifty thousand to one hundred thousand acres, was, however, not at once included in the surrender. These were lands that had been specially reported upon, and it was provided as to such, that they should not be open to entry until first offered at public sale. The purpose of this provision was, of course, to secure the specially reported lands in bulk at private entry at $1.25 per acre. But a hitch occurred as to this remnant of the great Alabama coal and iron land steal. Distinguished gentlemen who had presented this bill and secured its passage were urgent that the contemplated sale should be made! Other gentlemen, not so distinguished perhaps, but claiming to represent the people of the State, succeeded in delaying the proceedings. The knot of the difficulty was, however, cut in a very simple manner. In 1884 an act had been passed increasing the endowment of the University of Alabama by an additional grant of land,

and by a recent decision of the Secretary of the Interior the reserved mineral lands are allowed to be selected. So, under the disguise of "University selections," the vast remaining mineral lands in Alabama passed to the wealthy combinations.

RAILROAD LAND GRANTS.

The seizure of public lands by corporations and capitalists through the medium of Congressional grants professedly made "to aid in the construction of railroads," has been a striking example of reckless legislation, of flagrant disregard of public interests, and of the corrupting power of money to procure gigantic steals, enlarge the robberies by Executive administration, and protect the plunderers by judicial decisions. The blackest pages in the history of legislative, administrative and judicial procedure in this country are undoubtedly connected with the railroad land grant system. The total amount of land embraced in unforfeited railroad land grants is estimated at one hundred and fifty million acres, an area exceeding that of the combined states of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia, nearly one hundred million of which is forfeitable under the granting acts.

In his annual report for 1885, pp. 44, 45, Commissioner Sparks discussing this point, said:

The matter of declaring these forfeitures and restoring the forfeited lands to the public domain is prominently before the country, and has awakened and excites keen public interest. The amount of unpatented lands embraced in all the grants subject to declaration of forfeiture is estimated at one hundred million acres, an area equal to that of the combined States of New York, New Jersey, Pennsylvania, Delaware, Maryland and Virginia. The restora-

tion to public settlement and entry of this great body of lands is a subject of the first magnitude and of profound National importance. The question presented is strictly one of legal right. The rights of the corporations have been upheld for twenty and thirty years. The Government has not been in *laches*. The lands have been kept in reservation, material for building the roads has been freely supplied from the public domain, and extensions of time for constructions have been allowed. The default of the companies has been voluntary. The rights of the public are now to be considered—the right of the people to repossess themselves of their own. The case is not one calling for sympathy for the corporations; it is one calling for justice to the people of the country. In the management of their grants, as of their roads, railroad companies have shown little sympathy for the public—none for settlers and citizens whose presence and labor were building up traffic, and whose earnings were paying all the traffic would bear over roads constructed by public bounty. Holding their own claims through the indulgence of the Government, delinquent corporations have pursued settlers with the strong forces of corporate power, not only from local tribunals to the executive department, but from the executive department to the courts, to wrest from them the homes they had acquired within the boundaries of railroad grants. It is my information that a patent from the United States to a settler under an award by adjudication of this department is not security to his rights against a railroad company, but that the policy of compelling settlers to defend their patents in the Courts has been systematically adopted by some of the companies having the largest grants and being in *laches* to the government in respect to their own obligations. Appeals have been made to me by holders of such patents, asking for aid I had no means to give, in defense of their titles, which they said they could not maintain at their own cost against vexatious, dilatory, and expensive proceedings, forced upon them to compel them to purchase from the companies the quiet of the titles which they had, after protracted struggle, obtained from the United States. Those who seek equity should do

equity; those who demand charity should show some regard for the rights of others and of their donors.

"It is my opinion that the right and power vested in Congress of enforcing the forfeitures that have been incurred should be exercised. A failure or refusal to exercise the legislative jurisdiction may be construed as a continuance or renewal of the grants. I misunderstand the sentiment and mistake the temper of the people if renewals of forfeited land grants in any form or manner is in consonance with their views of public policy or their demands for public justice.

"However improvident the original grants were, the Government was bound to maintain its obligations so long as the companies kept theirs. But the failure of one party is the release of the other. An opportunity is now presented for the legal recovery of a public estate long held in abeyance. Having been forfeited, it should now be resumed. I respectfully recommend that forfeitures be declared in all cases in which the roads were not completed in the manner and within the time prescribed by law, and that the unpatented lands be restored to the public domain."

Railroad grants in the State of Iowa cover an area larger in size than the surface of the two States of Connecticut and Rhode Island. In each of the States of Michigan and Wisconsin an area nearly as large. Railroad grants in Minnesota would make two States just the size of Massachusetts, one of which was donated to the promoters of the Northern Pacific Railroad Company. In Kansas, railroad grants would make the two States of Connecticut and New Jersey. In Nebraska, a territory larger than the State of New Hampshire is given to railroad companies. Three States of the size of New Hampshire could be carved out of railroad grants in California. Another New Hampshire is found within railroad limits in Oregon, and the State of Rhode Island could be placed in the Oregon wagon road grants. In Dakota the Northern Pacific gets as much land

as there is in the two States of New Jersey and Connecticut. In Montana the grant to the same company is as large as the whole of Maryland, New Jersey, and Massachusetts. In Idaho the same company gets a State of Delaware, and in Washington Territory its grant equals in extent the size of the three States of New Jersey, New Hampshire and Massachusetts.

It was held by Commissioner Sparks that this company had absolutely no legal rights whatever to an acre of land west of the Missouri river, for the reason not only that no road was built west of the river, but that no road west of the river was even definitely located until after the time when by law and contract the time for construction had expired, and hence that no legal rights attached. These could vest only upon definite location and definite location could not be made after the expiration of the grant. He found no equities in the company to lands west of the Missouri, because the lands east of the river, if the company were allowed to retain them, exceeded by far the actual cost of constructing the whole road. Is it any wonder that Sparks and LeBarnes had to go?

The reckless character of railroad land grants is worthy of more extended remarks than can be here given. The first of these grants was made to Illinois. It is notorious that the road paid a profit independent of the land grant on every division as fast as constructed. Contractors even got rich by completing the roads in advance of time and running them for their own benefit until turned over under the contracts. It is notorious further, that none of the aided roads—except the Union and Central Pacific and perhaps the California and Oregon—were built until a profit in construction could be seen without the aid of the land grants; and the two former were built with

the money of the Government and not with the money of the corporations. The land grants have been almost invariably regarded and used as the private plunder of the incorporators of the company and not for the purpose of building the roads.

Immediately upon the procurement of a grant and filing in the land office a map of purported definite location, descriptive lists of the lands were obtained from the Department of the Interior, the lands sold to collusive syndicates or to outside purchasers, and the building of the roads was frequently left to those who might come afterwards.

The early grants were made to States for the benefit of railroad companies and were in each case for the *public* land in a specified number of alternate sections on each side of the road, not including in such grants any land previously reserved or disposed of by the United States, or to which a pre-emption right had attached at date of grant or which should have attached at date of the definite location of the line of the road.

There was no provision of law in these early grants for the issue of patents or certificates to the State or railroad company. After the road was definitely located the State might sell the land in alternate sections, for a distance of twenty miles. When twenty miles of road were built and accepted, twenty miles more of the granted land might be sold. If the land was occupied by a pre-emption settler at the date of the grant the company could not sell that land. If occupied by a settler at date of definite location it could not be sold, but other land could be taken in place of it.

If the law had been allowed its course no settler's land would ever have been given to a railroad company, because a settler need only prove that he or some other person was living on the land or claiming it under the laws of the

United States at the date of grant or at date of definite location of the road, as the case might be, and any sale or attempted sale of such land by the State or railroad company would have been absolutely void.

But the officers of the Interior Department, without authority of law, and in defiance of the rights of the settlers, *certified* to the States or companies, outright, millions of acres of land regardless of claims that might be upon the land, or of any just claim that might be entitled to be afterwards placed upon the land.

More than that, they certified such lands *when no road had been built*, and *before any road had been commenced*, and *before it was known* whether the State or the companies *would ever be entitled to the land*, except the quantity allowed for the first twenty miles, or how much land they would ever be entitled to, or the time when they would be entitled to it.

More than that, they *unlawfully and fraudulently* certified millions of acres of *indemnity lands* when *no* indemnity had been earned, when *no road* had been built, *no losses* to the grant ascertained, *no losses sustained*, and *no indemnity right acquired to any land whatever.*

These certificates passed a presumptive title to the railroad companies, sufficient to enable the land to be sold by the companies before the time when the law allowed such sale, and sufficient to enable them to attack and defeat existing settlement claims, and to prevent the attachment of other settlers' rights, which the law had in terms secured to the inhabitants of the country through which the roads ran. The following statement, compiled from official sources, and covering the years 1857, 1858, and 1859, is given as an example of this line of procedure, which commenced soon after the first railroad grants were made, and was continued for an indefinite period thereafter:

NUMBER OF ACRES CERTIFIED IN A SPECIMEN THREE YEARS (1857, 1858, 1859).

RAILROADS.	Date of Certification.	In granted limits.	Indemnity.	Total.	Authority for certification.	No. mls road constr'd at date of certifo'n.
IOWA—						
Burlington & Missouri River	Mch. 23, 1859. Aug. 22, 1859.	90,156.02	140,677.22	230,833.24	None	62
Chicago, Rock Island & Pacific	Dec. 26, 1858. Mch. 26, 1859.	158,892.23	228,608.47	387,500.70	None	54½
Cedar Rapids & Missouri River	Dec. 27, 1858.	235,884.99	394,090.60	629,975.59	None	None
Dubuque & Sioux City	" " "	172,296.86	298,037.87	470,334.73	None	40
Iowa Falls & Sioux City	" " "	277,681.03	399,515.31	677,146.34	None	
FLORIDA—						
Florida Railroad	Nov. 15, 1858.	72,268.43	203,150.68	275,419.11	None	None
Florida & Alabama	Aug. 28, 1857, " " 1858.	86,760.40	78,927.60	165,688.00	None	None
Pensacola & Georgia	Feb. 4, 1859.	114,065.15	173,801.27	287,866.42	None	None
Florida, Atlantic & Gulf Cen.	Oct. 4, 1858. Nov. 16, 1858.	8,569.63 8,199.11	11,009.23	27,777.97	None None	None None
ALABAMA—						
Alabama & Florida	May 16, 1859.	150,839.84	243,683.15	394,522.99	None	None
Selma, Rome & Dalton	" 24, "	142,382.67	286,963.81	429,346.48	None	None
LOUISIANA—						
North Louisiana & Texas	Oct. 7, 1859.	98,875.66	254,337.02	553,212.68	None	20
New O, O, & Great Western	" " "	209,618.93	396,712.25	606,331.18	None	None
Vicksburg & Meridian	Sep. 6, 1859.	72,371.60	99,178.99	171,550.59	None	None
MICHIGAN—						
Grand Rapids & Indiana	Mch. 6, 1859. May 9, 1859.	351,032.56	112,216.39	463,248.95	None	None
Flint & Pere Marquette	Feb. 28, 1859. May 9, 1859. Jun. 18, 1859.	149,710.72	211,958.09	361,668.81	None	None
WISCONSIN—						
Chicago & Northwestern	July 2, 1859.	78,558.59	131,557.03	210,115.62	None	None
Total		2,478,114.42	3,664,424.08	6,142,539.40	.....	176½

It will be seen that in the three years mentioned as a specimen of land office practice, upwards of six million acres were certified when only one hundred and seventy-six and a half miles of road had been built! It is apparent from the Land Office Reports that the bulk of all the railroad lands certified under State grants, amounting to some 30,000,000 acres, were thus prematurely conveyed, and in some instances the roads are not yet built, and in others are only partially constructed.

Analyzing the preceding Exhibit and obtaining official data to make an illustrative example of the effect of premature certifications of railroad land, I take four grants in the State of Iowa and find the following to be the facts:

The Burlington and Missouri River Road earned no indemnity lands before November 26, 1869, for until that time the road had not been built. It had no right to any granted lands until after March 3, 1865, the date of the passage of an act authorizing a change in the line of the road. Until after that time there was no definite location that fixed the route of the road on the line upon which it was constructed. Yet ninety thousand acres within undetermined granted limits were certified for the company in 1859, and in the same year the officers of the Interior Department took from settlement right one hundred and forty thousand acres of land in indemnity limits, and without authority of law or equitable excuse gave these lands to the railroad.

The Chicago, Rock Island and Pacific Road was not completed until June 6, 1869. Until that date indemnity rights were incomplete. The line having been changed there was no actual definite location until construction, and no right to any granted land could be acquired until the entire definite line was designated. But ten years before the rights of the company under the railroad grant were

legally established, the Department of the Interior robbed citizens of Iowa of three hundred and eighty-seven thousand acres of land which were given to this company through premature and unlawful certifications.

The Dubuque and Pacific Road (afterwards Cedar Rapids and Missouri River, Dubuque and Sioux City, and Iowa Falls and Sioux City) to which the Interior Department gave one million seven hundred thousand acres as early as 1858, never built any road on the line of selections, never built but eighty miles of road altogether under the grant, on account of which it was given seven hundred thousand acres as granted lands, and one million acres of indemnity, and had not earned one acre of the one million indemnity at the time these lands were unlawfully transferred to it.

Settlers and purchasers of land along the four great lines of railroad which cross the State of Iowa, who paid more than $1.25 per acre for their lands between 1856 and 1865 and later, have somebody to thank, and it might be well for them to inquire whom.

In October, 1881, the Senate Committee on Public Lands was instructed by resolution to inquire into the condition of the General Land Office. The inquiry was commenced in December, 1881, and the committee reported April 3, 1882. (Senate Report No. 362, First Session, Forty-first Congress.) In the course of this inquiry Mr. J. W. LeBarnes, then and for several years afterward Law Clerk of the General Land Office, was examined and gave his testimony in the matter of railroad administration in the Department of the Interior. The statement of this officer will be found on pages 89 to 105 and pages 113 to 151, inclusive, of said report, and is a most scathing arraignment of the illegal practices, unjust decisions, and corporation-inspired policy which had habitually marked the

history of proceedings in the Land Department in its administration of railroad grants and its treatment of conflicting interests of settlers and of the rights of the Government.

MORE ABOUT RAILROAD FRAUDS IN IOWA.

Referring to railroad grants in Iowa, a volume of injustice and oppression, of railroad audacity and official mendacity, collusion and outrage is compressed in the following brief paragraphs found in the printed testimony:

"In 1856 (11 Stat., 9) a grant of land was made to the State of Iowa, which was transferred by the State to the Iowa Central Air Line Railway Company. This company constructed no road, but became insolvent; 775,717 61-100 acres of land were, however, approved to the State for the benefit of the road. In 1860 the Legislature of Iowa resumed control of the grant and transferred it to the Cedar Rapids & Missouri River Railroad Company on certain conditions.

"In 1864 (13 Stat., 96) Congress recognized this transfer, and made a new grant to the company of the same lands and the same amount of lands as originally granted to the State. It also authorized a change in the location of the road, and the construction of a branch line. But as the former company had built no road, and it was uncertain whether the road would be constructed, large numbers of settlers had gone on the lands within the limits of the original grant of 1856. Congress therefore provided that the conveyance of lands under this grant should not embrace any lands within such original limits which had been sold or pre-empted, or to which a pre-emption right or homestead settlement had attached, or on which a *bona fide* settlement and improvement had been made under color of title from the United States or the State of Iowa; and to allow for deficiencies in the grant it was provided that if the amount of land originally intended to be granted under the act of 1856, could not be found within the limits prescribed by that act, then selections to make up such amount might be made within a distance of twenty miles

from the new line of road. The original grant was for alternate odd-numbered sections within six miles on each side of the road, with the right to select indemnity in odd-numbered sections within fifteen miles. The new act increased the indemnity limits as stated. It was also provided that whenever the modified main lines should be established, or the connecting line located, the company should file a map definitely showing such modified line and connecting branch. When this should be done the Secretary of the Interior was to reserve, and cause to be certified to the company as the work progressed, the lands to which it would be entitled under the grant. The map of definite location required to be filed in the General Land Office as a condition precedent to the reservation of any lands for the benefit of the grant was never filed. There was, therefore, never any authority of law for the withdrawal of any lands under this grant. A general withdrawal of all the public lands in Iowa was, however, made in June, 1864, for the benefit of railroad grants. It was stated that this withdrawal was made at the request of the Iowa delegation in Congress. No act of Congress authorized it. In August, 1864, this withdrawal was modified so as not to inhibit pre-emption and homestead entries. In June, 1865, the modification was annulled, and all entries made under it were suspended. In July, 1866, an order was made to restore to market all lands in the State that had previously been withdrawn. In September, 1866, the execution of this order was suspended. In August, 1867, the order was again issued, and the restoration was made by public notice. In 1875 the department decided the restoration to have been illegal, and all pending entries made under it were canceled. Where patents had been issued, but not delivered, they were called for and withheld.

"These proceedings, which were wholly of departmental authority, affected the lands within the limits of the grant to the Cedar Rapids & Missouri River Railroad Company equally with all other lands in the State. Then in the adjudication of the claims of settlers it was held by this office that the right of this company under the grant of

1864 attached to all the lands embraced in the original grant to the State, from the date of the original grant in 1856; and the rights of settlers who had gone on the lands between 1856 and 1864, and which were legally protected by the statute, and for which protection additional indemnity selections were allowed to the company, were rejected. It was further held that the right of indemnity selection provided for by the act of 1864 was an absolute grant, that it embraced both odd and even numbered sections within the limits of twenty miles, and that it took effect upon the date of the passage of the act. Under the statutory provision requiring a map of definite location to be filed before any lands could be reserved, the rights of settlers who settled before such map was filed, and in default of the filing of the map, before actual selection of the land for the company after the construction of the road, were protected in their settlements. Under the rulings of this office those rights were not recognized, but the lands and improvements of such settlers were decreed to the railroad. These proceedings went on until the lands taken from the settlers had aided in swelling the grant far beyond its maximum limits. Cases of this kind have been decided in this manner down to the present time, and others are still pending.

"What is true of this grant is also true of several other grants in the State of Iowa, except as to the amount of land received by the companies in excess of the amount to which they were entitled. That is a matter I have not investigated. But the decisions affecting the rights of settlers were, I believe, of the same character as here stated.

"Q. Where lands are awarded to railroad companies in the way you have mentioned in your testimony do the companies receive money from the settlers for the sake of quieting the settlers' titles? A. Yes, sir; I have heard of settlers paying as much as fifty dollars an acre for land awarded to the railroads in this way."—(Testimony, pp., 149–151.)

It being impossible in the limited pages of this book to present more than a few instances to illustrate the general character of railroad mal-administration in the Department

of the Interior, I take the foregoing case as a pertinent example of the infamous methods exposed by this testimony in the robbery of public lands in Iowa. It must be remembered, also, that the Iowa case is an example only and not an exception. Classifying the points in the above testimony it is seen that the witness asserts:

I. That the law required a map of definite location to be filed before any lands could legally be withdrawn from entry by the Secretary of the Interior.

II. That such map was not filed.

III. That lands were withdrawn, all the same, by complacent officers of the Government, and that these withdrawals were for the benefit of the four lines of road across the State and included all public lands in the State. The tergiversations of withdrawals, restorations and revocation of restorations, make a confusing medley in which settlers were caught as in a vise, while the land, including their improvements, passed to the railroad company.

IV. That the Land Office, incorrectly and in violation of the statute, held that the grant of July 2, 1864, was an absolute grant, and that it took effect upon the passage of the act, and operated upon all lands within the prescribed limits, while, in fact, the act only made an indemnity provision which did not operate on any lands whatever until the company had made its selections to compensate for ascertained deficiencies, and in no case until after the map of definite location had been filed. The Land Office made the act take effect as an absolute grant upon all lands in July, 1864. In the case of Cedar Rapids R. R. Co. *vs.* Hening and others, decided by the United States Supreme Court in 1884 (110 U. S., 27), the Court sustained the views expressed in the statement above referred to, and held that the act of 1864 allowed indemnity only; that the indemnity right did not attach to any lands until the proper selection

was made; that the Secretary of the Interior had no right to make any withdrawal until the map of definite location was filed, and the Court upheld the patents involved in the twenty-nine cases embraced in this suit. In some of these cases the lands had been patented before withdrawal and in others not until aftewards. (See Guilford Miller case, Land Office Report, 1885, p. 206).

So, by the decision of the Supreme Court, with all its leanings in favor of railroad corporations and its habitual methods of deciding in favor of such corporations upon even the flimsiest of pretexts, the basis of every order and decision of the Land Office making withdrawals under this grant and rejecting settlers' claims for conflict with it, was invalidated and the rulings of the Land Office shown to be illegal and absurd. The Court say that it was the purpose of the act to authorize certain changes in the line of the road, and "To adjust the amount of lands to which the company would be entitled under this new order of things and to enlarge the source from which selections might be made for the loss of those not found in place." Cedar Rapids cases, *supra.*

The land office held that the act made a new grant outright, and so awarded the lands to the railroad company. After it was too late to protect the people, the Court said that the act only enlarged the area within which the indemnity selections could be made, and gave the company no right to the lands unless a right of indemnity selection existed, and not then until selections were lawfully made.

"It is not easy to see how rights can be vested in any particular section or sections of the latter class (indemnity lands) until it is ascertained how many of the original odd numbered sections are thus lost and until the grantee has exercised his right of selection." (*Ibid.*)

The Court said that the Secretary of the Interior had no right to make any withdrawal until December 1, 1867, a

period of three years and a half after withdrawals were made:

The following official correspondence shows that Law Clerk Le Barnes was correct, in stating that the withdrawal of these lands was made at the request of the Iowa delegation in Congress:

DEPARTMENT OF THE INTERIOR,
WASHINGTON, June 16, 1864.

The COMMISSIONER OF THE GENERAL LAND OFFICE:

SIR: Having considered your report of the 2d instant, inclosing the request of the Congressional delegation from Iowa representing the wishes of the people of the State, I have deemed it expedient, for the purpose of facilitating the adjustment of the several grants of land recently made by Congress to the State of Iowa, to direct that all the public lands therein now remaining unsold be withdrawn from entry and location by individuals, thus terminating for the present all the ordinary disposals of said lands.

This order will not interfere with the completion of the selections by the State under the grant for agricultural colleges, etc.

In view of the above order, and the reduced quantity of public lands remaining in the State, I have to request that you will advise me, as soon as practicable, whether some of the land offices in Iowa might not be discontinued and their business transferred to other offices, pursuant to the provisions of the fifth section of the act of Congress approved May 30, 1862.

The papers that accompanied your letters of the 2d and 7th instant are now returned.

I am, sir, very respectfully, your obedient servant.

J. P. USHER, *Secretary.*

DEPARTMENT OF THE INTERIOR,
GENERAL LAND OFFICE,
June 16, 1864.

REGISTER AND RECEIVER,
Des Moines, Iowa:

The Secretary of the Interior, at the request of the Iowa delegation in Congress, has directed that all the public

lands in said State be withdrawn from entry and location by individuals, with a view to facilitate the adjustment of the several grants of land recently made by Congress to the State of Iowa. You are, therefore, hereby instructed to withdraw from sale, location, homestead entry, or pre-emption claim, all the public lands in your district now subject to sale from the date of the receipt of this letter, excepting only you will allow the completion of the selections by the State under the grant for agricultural colleges.

The receipt of this you will promptly acknowledge, stating the date at which it may reach you, thus interdicting hereafter the disposal of any tract with the exception mentioned.

I am, very respectfully, your obedient servant.

J. M. EDMUNDS,
Commissioner.

(Copy of this sent to land offices at Sioux City, Council Bluffs, and Fort Dodge.)

Other official correspondence on file in the Interior Department shows that the request for the withdrawal of the lands was made by the delegation the same day the act was approved, June 2, 1864. The public lands remaining in the State at that time amounted to about six hundred thousand acres.

It must be remembered that this period was the very time when Iowa soldiers were returning from the battle-fields of the war and seeking to invest their small earnings, received in return for their great sacrifices, to make homes for themselves and their families upon the public lands of the United States. They found the public lands in the great State of Iowa closed against them by railroad withdrawals that had been made without justification and without color of legal authority, as the Supreme Court afterward decided. These withdrawals continued long after that period; and as late as 1875 the Department, protecting and approving these illegal withdrawals, decreed the temporary restorations that had been made to have

been unlawful, canceled entries that had been allowed under such temporary restorations, and, where patents had been issued to settlers and sent to the local land offices for delivery, but had not been delivered, the General Land Office recalled such patents and witheld them from their lawful owners.

These patents had passed the legal title of the United States, and it was as incompetent for the General Land Office to interfere with them, or to recall them, or to withhold them, as it would have been to have attempted to interfere with the private deeds and conveyances in Ohio or New York. This high-handed act of the Land Office discrediting the patents of the United States, compelled the holders of perfect titles from the United States to buy an invalid and worthless railroad claim to protect their homes.

How many such instances there were, will probably never be known; how many more instances there were, in which valid entries which had not been patented were as arbitrarily and unlawfully canceled, will probably never be disclosed by the General Land Office; the multitude of other instances in which lawful entries were wickedly and shamefully denied, can never be known, as no records are kept of those who "die and make no sign."

Undoubtedly, every one of the patentees or their legal representatives, have a clear, indisputable right to-day to secure the patents which had been issued, to stand upon that absolute title and to recover from the railroad company and its privies whatever money they may have been wrongfully compelled to pay.

The law gives to those whose unpatented entries were illegally canceled, a remedy, to still preserve their rights, and for recovery from the railroad companies of moneys wrongfully exacted; but the Secretary of the Interior and the Attorney General have found a way to defeat the law,

in this and other respects, and to protect the railroad companies and their confederates in stolen property of this kind, as will be shown hereafter.

FURTHER TESTIMONY BY THE LAW CLERK.

The following extracts from the testimony of the Law Clerk of the General Land Office, indicate the unerring fidelity of the Land Department of the Government to the interests of corporations, and its habitual disregard of the interests of settlers and of the Government, and affords a clear view of corporate methods and influence in the Department.

"Q. How is it in regard to the ability of counsel usually employed by railroad companies? A. Railroad companies never make the mistake of employing lawyers of inferior capacity. A railroad corporation has the ablest attorneys in its service that the country can produce. A settler has no attorney, or perhaps very indifferent counsel. He may be some local attorney without much practice or experience in the questions he is called to manage. When the case comes before the General Land Office a corporation is represented not only by able but by abundant counsel. The settler generally is wholly unable to employ a resident attorney, but relies on the merits of his case and the fidelity of the officers of the government to secure him his rights.

"Q. Before what tribunal or what class of minds are these questions heard in the first instance? A. Before the clerks having that matter in charge.

"Q. Before ordinary clerks? A. Yes, sir.

"Q. Do these counsel have access, informally, to these clerks in private conversation and otherwise, and endeavor to press their views upon these clerks with such means as they see fit to exercise upon them? A. *I think it has usually been the fact that the views of railroad attorneys, and their constructions of the law, have been fully impressed upon the minds of clerks acting upon cases in which the corporations are interested.* The regulations prohibit confer-

ences between attorneys and clerks except upon permission. Such regulations have not always proved effective, although they are now more strictly enforced than formerly. Attorneys have, however, full access to chiefs of divisions.

"Q. What is the nature of the hearings that then occur upon these questions before these clerks, and how are they conducted? A. The attorney of the company goes in person to the General Land Office, examines the papers, and if necessary follows the case to whoever has it in charge or control, and argues and insists upon the superior or exclusive rights of his company to the land. There are no formal hearings. *The pressure brought upon clerks is the pressure of the power and influence of the great corporations.* If a case involving railroad interests adverse to a settler's right or to the public interests, happens to come to the attention of the Commissioner before final decision, the attorneys usually find it out and interview the Commissioner on the subject. They also look very closely after cases that may in the same manner come before the law clerk for his opinion.

Q. Are many cases terminated without reaching you at all? A. Until the present Commissioner came into office, legal questions relative to railroad grants, and to rights and interests arising thereunder, never came before the law clerk of the bureau, unless in some merely incidental and comparatively unimportant cases. They were acted upon exclusively in the railroad division.

Q. Are the cases that go before you for adjudication such as are not satisfactory to the corporations interested in them? A. It is the other way. The cases in which the decisions that have been made are satisfactory to the corporations are the ones that usually come before the law clerk's division.

Q. How is that? A. In reviewing the office decisions the cases that may be thought to have been erroneously decided, according to the views of the law division, are usually those where the decision is favorable to the corporation. It is not usual to make mistakes in favor of settlers.

Q. It is in the revision of this class of work, and the detection of what seems to you to be injustice towards the

settlers, that the questions arise? A. Yes, sir; and it is the same way where the interests of the United States are concerned.

SECRETARY SCHURZ.

It appears from the testimony that the Land Office had held from 1850 down to 1878, that the right of a railroad company to lands within indemnity limits was the same, and attached at the same time as to lands within granted limits, and that, under this rule, all lands within indemnity limits were decreed to the railroads against settlers. In 1878 a case arose in which it was to the interest of a railroad company to get a different decision, and the court found, rightly as it happened, that the practice of the Land Office for thirty years had been totally wrong. The difficulty in getting the Interior Department to accept a correct rule, even under the authority of the Supreme Court, is thus recited by the witness:

"At the October term of the Supreme Court, in 1878 (100 U. S., 382), in the case of Michael Ryan *vs.* The Central Pacific Railroad Company, successor to the California & Oregon Railroad Company, the court said that the right to select lieu or indemnity lands was only a float and attached only to unappropriated and unreserved public land at date of withdrawal, and was legally withdrawn at that time.

"Soon after this opinion was pronounced, the Secretary of the Interior (Schurz), in the case of Blodgett *vs.* The California & Oregon Railroad Company (6 Copp., 37), applied the principle of the Ryan decision to a case where lands within railroad indemnity limits had not been selected in fact, but had been withdrawn from sale or disposal for the future purpose of such selection.

"In this case the Secretary held that the withdrawal had been authorized by statute, and that at the date of withdrawal the tract in controversy was public land, and therefore subject to the withdrawal. There had been a prior

settler on the land, who had abandoned it, and whose claim, the Secretary held, was not of such a character as to exclude the land from the withdrawal, and consequently a second settler who went on the land after the abandonment by the prior settler, and after a legal withdrawal had been made, could claim no rights by virtue of the former settlement.

"The principle of this decision was that where lands were public lands at date of withdrawal, and were subject to withdrawal, and were legally withdrawn, a subsequent settler could not claim against the reservation made by such prior valid withdrawal.

"The Supreme Court held that a reservation existing at some time previous to the attachment of the railroad right, but extinguished and not existing at the date of such attachment did not defeat the railroad right. The office held that a reservation which was in existence at the date of a withdrawal of lands within indemnity limits did not defeat the withdrawal, and accordingly rejected the claims of settlers who entered the land after the extinguishment of the prior reservation and before the attachment of the railroad right; and the decision in the Ryan case was cited as the authority for this ruling.

"The Secretary held that where a prior valid settlement claim was not existing at date of withdrawal, the withdrawal prevented the acquisition of a subsequent settler's right. The office cited this decision as authority for ruling that where there *was* a valid settlement right existing at date of withdrawal, then no subsequent settler's right could be acquired.

"Finding the decisions of the office thus in apparent contravention of the law as it exists in the statutes, and as expounded by the Supreme Court, and in contravention also of the cited rulings of the department, all decisions of this character were withheld and an explanation asked from the writers.

"They stated that their decisions were in accordance with the practice of the office; that in their opinion such decisions were erroneous but that they were not permitted to express their own judgments, and that they were required

to write their decisions in the way they had done. The attention of the chief of the division was then called to what seemed to be an obvious misapprehension of the Ryan and Blodgett decisions, as thus shown. He stated that he had followed the practice which he had found existing.

"The questions involved in the withheld decisions were then stated to the Commissioner. He directed me to rewrite the cases as I thought right, and to present to him the original decisions, together with those prepared by myself, for his consideration. I did so, and the matter was contested before him at intervals from July until December. He perceived that the practice of the office was not supported by the authorities cited for its support, but he was assured that the practice was nevertheless sanctioned by other and unpublished decisions of the Secretary. He required the production of such unpublished decisions, and one alleged to be of the character named was presented to him. I stated to the Commissioner my opinion that this decision did not have the meaning claimed for it, and could not be held to have such meaning, except by a forced construction of an ambiguity, arising from an evident misapprehension by the writer of that decision, of a former decision made by the Commissioner.

"It was then insisted that the matter should be referred to the Secretary, which was done. The Secretary declined to consider the subject, whereupon the Commissioner felt at liberty to act, and he reversed the preceding practice of the office and made the proper decision in this class of cases. But from April, 1879, to July, 1881, the incorrect application of the Ryan and Blodgett decisions had been made in a very large number of cases, in every one of which some poor man's home had been sacrificed.

"For the long term of years previous to 1879 the practice had been the same, under the theory, as I have stated, that the rights of railroad companies to land within indemnity limits were held to have attached at the same time as to lands within granted limits.

"The effect of the misapplication of the Ryan and Blodgett decisions was to continue the former practice after the principle upon which that practice was founded had been pronounced incorrect by the Supreme Court.

"Q. Can you give any idea of the extent of the operation of this thing upon the settlers? A. From April, 1879, to August, 1881, or a period of two years and a half, I suppose there must have been at least two or three hundred cases decided in that way, and, perhaps, very many hundred cases were so decided previous to the decision of the Supreme Court.

"Q. These are cases where men who have made their improvements in good faith have been ousted from their property by the railroad companies without compensation?

"A. Yes, sir; or by the Land Department for the benefit of the railroad companies.

"Q. Has it been the custom of the railroad company, or those who obtain these improved lands by virtue of this construction of the law making grants to them, to compensate the ousted parties for their improvements? A. I have never heard that railroad companies compensated settlers for their improvements on lands decided by the department to belong to the railroads. There have been many classes of cases in which the railroad companies have obtained land in this way.

SCHURZ OVERRULES CONGRESS.

"In the case of Gates *vs.* California & Oregon Railroad Company it was held by the Secretary, in 1878 (5 Copp., 150), that when a pre-emption settler was on land within railroad limits at the date of the attachment of the railroad right, and afterwards abandoned his claim or transferred his improvements to another, the former pre-emption claim did not except the land from the grant, and that a subsequent settler purchasing this former settler's improvements, or otherwise occupying the land after the former settler had abandoned it, could not have his claim recognized.

"The same rule had existed previous to the decision in the Gates case and prior to 1876, and had caused much complaint, as it was of wide application and affected great numbers of cases.

"In 1876, Congress attempted to correct this, and some other rulings of the department, by positive legislation. The act of April 21, of that year (19 Stat., 35), was a

mandatory act requiring the department to recognize the validity of subsequent entries where land had been covered by former claims of the date of withdrawal of lands for railroad grants. This act did not have the effect which was shown by the Senate debates to have been expected by the legislative mind. The Gates decision was rendered without reference to the act of 1876, and was afterwards modified upon such fact being shown. But the unmodified decision appears to have been the rule usually followed in the Land Office down to a recent date. The regulations adopted by departmental concurrence or instructions, and the rulings made under the act of 1876, had the effect in all cases to make the relief contemplated by that act difficult of availability, and in most cases to render the act inoperative. It was held, for example, that the act could have no prospective effect because its language implied a past tense. Then it was held that it could have no retroactive effect because that would be unconstitutional. Again, if a case arose, that in the view of the office could be recognized as coming within the provisions of the act, the claim was rejected, unless the party was careful to state that he claimed the benefit of the act. He was not allowed to have the benefit of the act unless he expressly claimed it. A great many cases have been adjudicated in this way, and the parties who had an absolute legal right to their land under the indemnity provisions of the act granting lands for railroad purposes, and had such right irrespective of the act of 1876, were defeated in their claims under the construction given to an act designed for their protection.

"A case was adjudicated under this act to which the act had no application, and this case was then brought before the State court of Kansas, as a test case, to determine the validity of the act. In this case, according to the findings of the Court, the original settler was proven to have voluntarily abandoned his claim in 1868. In 1869 the railroad right attached. In 1871 a second settler made an entry of the land. This entry was canceled, and in 1875 the land was patented to the railroad company. In 1878 the second settler's entry was reinstated by the Secretary of the Interior, under the act of 1876, and patent was issued to the settler. Then the case was brought before the Court. The

Court found that the first settler's claim was invalid, and accordingly held that the second settler had no rights against the railroad grant, which had become effective after the abandonment of the first settler's claim. The Court thought that under the circumstances recited, the reinstatement of the second settler's entry was a mistake in law, and observed that as the railroad company's title had vested in this particular tract in 1869, this vested title could not be disturbed by a subsequent act of Congress.

"The act of 1876 provided that where valid homestead or pre-emption claims existed at date of withdrawal of lands under railroad grants, and these claims were afterwards abandoned, the claims of subsequent settlers on such lands should be confirmed. In the case before the Court the prior settlement claim was found to be invalid. In sustaining the title of the railroad company in this case the Court neither expressed nor implied an opinion that the act of 1876 would not be operative in a case coming within the provisions of that act, but only that the act was not operative in a case not coming within its provisions. Yet, upon the rendition of the judgment of the court in that case, as thus made up and stated, all cases depending in the Land Office to which the act of 1876 did apply, were suspended at departmental instance, and none have since been acted upon.

"Q. What other instance of hardship to settlers do you recall? A. Referring to the general principle that homestead entries segregate the land so that it cannot be taken by any other form of disposal, I may mention a decision by the Secretary in 1879, known as the Kniskern case (6 Copp., 50), which is one of the classes of cases in which the principle stated is not applied in contests between settlers and railroad grants. In this case a soldier's homestead entry had been made on a tract of land in Minnesota, under the act of 1864 (R. S., Sec. 2294), which permitted soldiers in actual service to make their affidavits of intention to claim the land before a commanding officer. Thousands of soldiers availed themselves of this privilege, hoping, perhaps, to return from the field and have a farm to go to, or in any event to provide a home for family or parents. They did not always return. Their families

could not always move out on the wild land. So that in most instances the required residence and improvement was wanting, and the entries were canceled in due course of time. While existing on the records, however, such entries operated to reserve the land under the general rules of law applicable to all homestead entries. The public knew no difference between these soldiers' homestead entries and homestead entries of any other class. Neither did the department until 1879. Then it was held, in the Kniskern decision, that the soldier's entry in that particular case was *prima facie* invalid in its inception, and therefore, that it did not operate to except the land from a railroad grant. All the lands that had been covered by these entries had been re-entered by other persons after the homestead entry had been canceled. The soldier's entry was a homestead claim, and homestead claims, as well as rights, were excepted from the grants. For fifteen years settlers had been educated by practice and precedent to believe that second entries made after the cancellation of the first would be respected. They knew that neither themselves nor others could legally go on the land until the former entry had been adjudged invalid. They did not know that railroad companies had rights that citizens did not possess. Secretary Chandler had ruled in a printed decision in this class of cases that they had not. But the settlers were undeceived by the decision in the Kniskern case; and those to whom that decision applies lose their improved farms, which go to the railroad."

Continuing his exposure of illegal methods and practices the law clerk says:

"The award of land to railroad companies when no claim has been made by the companies, is an incident to the exceptional practice of the office in favor of railroads that does not exist in respect to any other class of grants. In the case of school-land grants, for example, the office acts upon the facts of record and the law applicable thereto in adjudicating settlement claims on the school sections, notifying the State of its decisions, when the State may appeal if it so desires. A contest between the State and settler is never assumed, but must be instituted in fact if the State

desires to contest. But in the case of railroad grants settlement claims are treated as contests. The settler is required to especially notify the railroad company of his application to enter or to make proof. Notice by publication, which in all other cases of settlement proof is notice to the world, is not sufficient notice to a railroad. If the company does not appear, or does not, in fact, desire a contest, it makes no difference. It is regarded as a contest in any event, and the strict rules governing contests is applied to the settler, who I have reason to believe, in very many cases, even where the settlement claim would appear to be irrefutable, is driven by practices of the office, and the terms and requirements of official letters, as well as by delays and appeals, into compounding with the railroad by purchasing from the company the land to which he has an apparent right under the law."

The thousands and tens of thousands of settlers who have been forced by the action and want of action of the Land Office to buy their lands of the railroad companies when they had good right to enter them under the public land laws, will be able to appreciate the full force of the above testimony.

The law clerk further says:

"The grant for the St. Paul & Pacific extension lines in Minnesota, after its renewal by Congress, was transferred by the State to certain companies, except so far as the lands embraced in the grant were not occupied by actual settlers on March 1, 1877. The right to lands so occupied was not transferred by the State to the companies, but was expressly withheld, and the Governor was authorized by act of the Legislature to release all such lands to the United States in favor of the settlers. The releases were duly executed by the Governor, but are not accepted by the department, unless the lands are also relinquished by the railroad companies, who have nothing to relinquish. The State officers have repeatedly complained of the action of the department in this respect. One case has been brought to my notice where, even after both the State and the railroad

company had relinquished in favor of the settler, the Land Office, by the decision as prepared for the Commissioner's signature, refused to allow the settlement claim, and questioned the power of the State to withhold from a railroad company any lands granted to the State by Congress, and made subject to the disposal of the State Legislature, although the Supreme Court of the United States had expressed different views."

CONVEYING LANDS NEVER GRANTED.

It appears from the public reports of the General Land Office (see annual report, 1879, pp. 83, 84,) that from the commencement of the railroad land grant system down to 1879 it was the practice of that office to patent to railroad companies all the public lands within railroad limits, without regard to excepting clauses of the granting acts. It would seem to the unprejudiced observer that the following clause, which appears in substantially the same words in all grants, was sufficiently plain to be read understandingly by anyone:

"*Provided, further*, That any and all lands heretofore reserved to the United States by any act of Congress, or in any other manner, by competent authority, for the purpose of aiding in any object of internal improvement or other purpose whatever, be, and the same are hereby reserved and excepted from the operation of this act, except so far as it may be found necessary to locate the route of such roads through such reserved lands, in which case the right of way shall be granted, subject to the approval of the President of the United States."

But the Interior Department obligingly conferred upon the corporations these reserved and excepted lands, not only without pretext or shadow of law, but in contemptuous disregard of the plain, precise, and absolute terms of the law, and in cruel and flagrant violation of the rights of settlers, and with utter indifference to public rights.

The Supreme Court could not sustain this direct violation of the statute, and in 1875 it declared the law violated and set aside a large number of patents that had been issued to a railroad company for lands embraced in an Indian reservation in Kansas (Osage ceded lands), when the grant was made.

But the Land Office refused to apply the principles announced by the Court to any other kind of reservations than Indian reservations. They seemed to be doggedly determined to adhere to their illegal practice. Then, in 1879, the court again announced the same principle, in regard to private land claim reservations, and the principle was haltingly and partially adopted by the Land Office even then.

In the Commissioners' report for 1878 (page 83) it is said:

"The Supreme Court decision in the case of Newhall *vs.* Sanger, following the Osage ceded lands decision, had particular reference to the attachment of railroad rights upon lands covered at the time of the railroad grant by a foreign grant claim, and settled the question adversely to the railroad company, holding that the lands reserved for the adjustment of the foreign grant claim at the time of making the railroad grant did not pass under the latter, and became a part of the public domain."

The decision of the Court, both in the Osage ceded lands case (Leavenworth, Lawrence & Galveston R. R. Co. *vs.* The United States) and in the private land claim case (Newhall *vs.* Sanger) laid down the broad principle of the law applying to all reservations. The Land Office restricted its obedience to the precise cases upon which suit was brought.

But the Commissioner admits the fact and extent of the previous illegal practice:

"Prior to the rendition of this decision the department had held that the railroad grant attached to such lands on their release from reservation, and under such construction, thousands of acres were patented to the companies, to which, under the before-mentioned decision, they were not entitled" (Land Office report, 1879, p. 84).

The law clerk, in his testimony, refers to the wholly illegal practice of the Land Office in patenting reserved lands to railroad companies, to the sullen and incomplete recognition by the department of the correct principles of law upheld by the Court, and to the practical defeat, by departmental law juggling, of the decision of the Court in the Moquelemas case. He says:

Among the exceptions to railroad grants are lands in a state of reservation for any purpose at date of grant or attachment of railroad right. But it was the practice of the Land Department for a period of twenty-five years to award to the railroads the lands thus excepted from their grants whenever the reservation ceased. In all these cases settlers in great numbers had gone on the lands after their restoration to the public domain, but the lands, together with the settlers' improvements, were by departmental decisions, turned over to the railroads.

In 1875, the Supreme Court set aside patents that had been issued to the Leavenworth, Lawrence and Galveston Railroad Company for several hundred thousand acres of land in Kansas, which had been embraced in an Indian reservation at the date of the railroad grant. At the same time the Court decreed null and void the title that had been given to the Western Pacific Railroad Company for lands which at date of grant were embraced within the limits of a Mexican claim that was afterwards adjudged invalid. The Court said in these cases that the reservation was an absolute exclusion of the land from the railroad grants, and that it made no difference what afterwards became of it. When the reservation ceased the land reverted to the public domain, and did not go to the grant.

"The legal principles stated by the Court have met with a limited concurrence in the practice of the Land Department.

"They have not generally been applied to other classes of reservations than the particular classes involved in the cases before the Court. For example, mineral reservations have not been brought under the rule of the Court, but lands reserved as mineral have, upon the extinguishment of the reservation, been uniformly awarded to the railroads.

"The case in Newhall *vs.* Sanger (92 U. S., 761) was that of the claimed Moquelemas grant, a Mexican private land claim, which was *sub judice* at date of railroad grant. All that portion of the land within the claimed limits of the Mexican grant which fell within railroad sections had been patented to the railroad company upon the final adjudication that the Mexican claim was invalid. The case before the Court was a test case, and the decision of the court holding the railroad title null and void was a judicial determination of the legal status of all the land involved in this controversy. But the department refuses to accept the judgment of the Court as conclusive except as to the the single tract that was actually in the particular case before the Court, and holds that each individual settler on the same land must obtain a separate decree in his own case before a patent can be issued to him for the land to which he is entitled by law as settled by the Court.

"Q. Have the laws generally been literally construed in favor of the railroad? A. Yes, sir. The principle of law applicable to public grants—that they ought to be construed strictly against the grantees—has not been observed, although the exceptions to the grant are very strictly ruled against.

"Q. That is to say, that the grants have been construed very liberally to the grantee and against the settler? A. Yes, sir. It is a common rule of construction that if there are words in a granting act which of themselves import a present grant, then the grant is in *præsenti*, although the general words of present grant may be restrained by particular words in subsequent parts of the same act. Among the important decisions which would appear to have followed this rule are the decisions of the Secretary in the

case of the Northern Pacific Railroad grant (Commissioner's annual report, 1879, p. 109), and in the case of the Atlantic & Pacific Railroad grant, accepting the opinion of the Attorney-General of October 26, 1880 (7 Copp., 166). The authorities relied upon in these and similar decisions and opinions are the authorities in cases where no condition except the designation of the granted land was necessary to vest the estate in the grantee, as in the case of Greene's Heirs, 2 Wheaton, 196, and Schulenberg *vs.* Harriman, 21 Wall., 44. In the cases to which these authorities were applied there were several conditions precedent to be performed before the estate could vest, among which was the construction of the road."

The following table will aid the reader to form some conception of the frightful magnitude of the territorial conquest achieved by the corporations during the latter half of the present century:

Land grants made by Congress to States and corporations for railroads, canals and wagon-road purposes prior and subsequent to March 4, 1861.

(Compiled from the official records of the General Land Office.)

Grants.	Acreage Granted
Prior to March 4, 1861.	
TO STATES.	
Grants for railroad purposes	30,470,920.25
Grants for wagon purposes	251,353.78
Grants for canal purposes	3,901,189.74
Grants for river-improvement purposes	1,406,210.80
Total	36,029,674.80
(No grants to corporations were made by Congress prior to 1861.)	
Subsequent to March 4, 1861.	
TO STATES.	
Grants for railroad purposes	17,775,624.86
Grants for wagon-road purposes	2,530,379.84
Grants for canal purposes	699,635.05
Grants for river-improvements	569,382.28
Total	21,575,022.03
DIRECTLY TO CORPORATIONS.	
Grants for railroad purposes	163,643,944.83
Total of all grants made subsequent to March 4, 1861	185,218,966.86
Grand total for the purposes named	221,248,641.47

About 2,500,000 acres of this were granted to aid in the construction of canals prior to 1850. All the rest from 1850 to 1871 inclusive.

The State of Illinois contains 36,000,000 acres, Iowa 35,000,000, Minnesota 53,000,000, Missouri 44,000,000, Kansas 52,000,000; and yet the above table discloses the startling fact that an empire—the inheritance and hope of our children—greater in area than the four States named, has been ruthlessly and wickedly wrenched from the people and bestowed upon the corporate barons of the period. The consequences of this stupendous crime will be felt to the end of time, and no man will ever live upon the earth who will be able to trace its malignant ramifications.

With the terrible facts related in this chapter fresh in his memory, we request the reader to go back and re-read the quotation at the head of this narrative taken from the Free Soil Platform of 1852. He will then be prepared to understand to some extent the terrible crime which has been committed against the people in connection with our public domain.

CHAPTER V.

FINANCE IN WAR AND PEACE.

No occurrence in the history of our race so vividly exhibits the importance of money in human affairs as a condition of war. Thoughtful minds understand, of course, the continuous though unobtrusive demand which is constantly made by every rational adult person, for money in order to supply his daily wants. But it is only when great aggregations of individuals are hurried together, in the form of an army, and carried away from their accustomed channels of trade, that the whole population, including officials and law makers, awake to the pressing necessity for an ample supply of money. Of course the demand for food, raiment, shelter, and compensation for services are ever present with us; but in a state of peace each individual bears his own burdens and conceals as best he can his anxieties and the wants which he is unable to satisfy. But when armies are assembled and navies are to be equipped, human wants are thrown into the foreground and society utters one universal cry for money—money to sustain the honor, money to save the life of the nation—and extraordinary efforts are then always made to satisfy the demand.

It is clear, however, upon a moment's reflection, that the demand for money among those who constitute the army was greater before the war occurred than afterwards. Wages are higher in peace, and the style of living, quality of food and clothing, more expensive in peace than in war. If, therefore, the money in circulation in time of

peace is sufficient to meet the wants of trade, it is clear that it would be ample, if applied, to meet the wants of the same number of persons in war, when the wages and cost of living are diminished. The fact that so many men have ceased to be producers can make no difference in the existing volume of money. In fact, diminished production curtails the demand for money.

Labor can create wealth but it cannot create money. It requires a statute to speak money into existence. It is the creature of law, not the product of nature. It can neither be made by the march of battalions nor by plowing in the field, but it can be made to change hands by both.

The beneficial effects of the bountiful issue of money in times of public peril, verify in the strongest possible manner the necessity for an adequate circulating medium at all times; and they bring out in strong light the duty of a great and powerful Government to furnish its citizens with a constant non-fluctuating money supply.

The history of modern nations is trumpet-tongued with warnings against all attempts to return to ante-bellum fiscal methods and financial policies after the perils of war have passed.

THE TWO WITNESSES.

It is our purpose in this chapter to introduce for the consideration of the reader the most important events, in war and peace, connected with the financial history of Great Britain and the United States, the two leading nations of modern times.

It is said that at the dawn of creation the morning stars sang together. So now the ages utter their authoritative speech. The voice of a departing Century is persuasive, eloquent and full of majesty. There is no parlance with which it can be compared. It is the solemn allocution

of three generations of human beings enunciated *in articulo mortis* and compressed into a single narrative. And we submit that the financial experiments of the two most enlightened nations of christendom, filling to the brim, as they jointly do, the full measure of the Nineteenth Century, are clearly entitled to the candid consideration of mankind. The instruction which such enlightened and protracted experience imparts cannot be disregarded nor cast aside with impunity.

ENGLAND FROM 1793 TO 1796, INCLUSIVE.

The internal and external condition of Great Britain during the years 1793–6—the initial epoch in the protracted struggle for the overthrow of Napoleon—forms one of the most instructive chapters in modern history. It exhibits in bold and instructive contrast the helplessness of a Government enfeebled and stupefied by the consciousness of an empty treasury, as compared with the vigorous self reliance of a powerful Nation strengthened by ample means with which to defend itself at home and abroad.

We trust we may be pardoned for digressing far enough at this point to call the attention of the reader to the remarkable similarity between the life of a nation and the life of a single individual, in this regard. It is said, and truthfully as we believe, that in the life of the average citizen we have in miniature the life of a whole Nation. Nations are made up of individuals and hence they must have the same wants, ambitions, vicissitudes and history. The individual cramped and discouraged by poverty represents the Nation paralyzed by a collapsed treasury. The former drops to the bottom of the social structure where he will speedily be made to feel the weight of everything above him; the latter is at the mercy of its more powerful neighbors and is liable to lose its place on the map of the world.

During the period above named England had met with unbroken disaster. She had secured but one victory at sea—that of Howe. She was forced ignominiously from Flanders, Holland and the north of Germany. Napoleon had gained his victory at Toulon where the British fleet had been forced to surrender the city and retire before the guns of the rising young Corsican. Every nation, except Austria and Russia, had broken off its alliance with England, and hostility was manifested everywhere to her arms. To add to her distress a severe commercial panic—a frightful financial rigor of prolonged duration, which had finally to be relieved by a Government loan to business classes, seized upon the channels of trade and finally terminated in a run upon the bank. This was followed by widespread mutiny in the fleet. Driven by disaster to the very brink of ruin, the Government was forced at length to suspend cash payments. The result of this stroke of financial policy which included the resort to an exclusive paper currency in the spring of 1797, was almost miraculous, Upon this point we introduce the testimony of an enlightened English historian, Sir Archibald Alison, author of "The History of Europe during the French Revolution." We quote from a book written by him and published in Edinburgh and London in 1845, entitled "England in 1815 and 1845, or a Sufficient and a Contracted Currency:"

FROM 1797 TO 1815.

"The next eighteen years of the war, from 1797 to 1815, were, as all the world knows, the most glorious, and taken as a whole, the most prosperous which Great Britain had ever known. Ushered in by a combination of circumstances the most calamitous, both with reference to external security and internal industry, it terminated in a blaze of glory and a flood of prosperity which have never, since the beginning of the world, descended upon any nation. Hardly

had the run upon the bank shaken to its center the whole fabric of our commercial industry, and the mutinies at the Nore, Plymouth and off Cadiz paralyzed the arm of our naval defenders, when the victories of St. Vincent and Camperdown again restored to us the dominion of the seas; and ere long the thunderbolts of the Nile and Trafalgar prostrated the naval strength of the enemy, and the victories of Wellington first arrested, and at length broke his military power. Prosperity, universal and unheard of, pervaded every department ef the empire. Our colonial possessions encircled the earth—the whole West Indian islands had fallen into our hands; an empire of sixty millions of men in Hindostan acknowledged our rule; Java was added to our eastern possessions; and the flag of France had disappeared from every station beyond the sea. Agriculture, commerce and manufacture at home had increased in an unparalleled ratio; the landed proprietors were in affluence; wealth to an unheard-of extent had been created among the farmers; the soil, daily increasing in fertility and breadth of cultivated land, had become almost adequate to the maintenance of the rapidly increasing population; our exports, imports, and tonnage had more than doubled since the war began. And though distress, especially during 1810 and 1811, had at times been severely experienced among the manufacturing operatives, yet, on the whole, and in average years, their condition was one of extraordinary prosperity. The revenue raised by taxation within the year had risen from 21,000,000*l* in 1796, to 72,000,000*l* in 1815; the total expenditure from taxes and loans had reached in 1814 and 1815, the enormous amount of 117,000,000*l* each year.

"In the years 1813 and 1814, being the twentieth and twenty-first of the war, Great Britain had above a million of men in arms in Europe and Asia, and remitted 11,000,000*l* yearly in subsidies to continental powers. Yet was this prodigious and unheard of expenditure so far from exhausting either the capital or resources of the country, that the loan in 1814 was obtained at a lower rate than that paid at the commencement of the war; although the annual loan at its close was above 35,000,000*l*, and the population of the empire at that period was only eighteen millions,

just two-thirds of what it was found to be by the census of 1841."

RESUMPTION, 1819 AND FOLLOWING.

But England had resolved to resume specie payments at whatever costs and made preparations to that end. She demonetized silver in 1816, declared that it should only be a legal tender for forty shillings (about $10.00), stopped its coinage at the mints and passed an act to resume in the year 1819. To accomplish this it was provided that the circulating paper currency should be funded into various kinds of public securities. We will let the historian before mentioned testify as to the direful effects of this step upon the fortunes of the people. Mr. Alison says:

"Since the year 1819 the empire has exhibited the most extraordinary spectacle that the world has perhaps ever witnessed; and it is to it that we earnestly request the attention of our readers, because then began the series of causes and effects in which we have ever since been, and still are involved. Considered in one point of view there never was a nation which, in an equal space of time had made so extraordinary a progress. Its population had advanced from 20,600,000 in 1819, to 28,000,000 in 1844; its imports had increased from 30,000,000*l.* in the former period, to 70,000,000*l.* in the latter; its exports had advanced during the same period from 44,000,000*l.* to 130,000,000*l.*; its shipping from 2,350,000 tons to 3,900,000. There never, perhaps, was such a growth in these great limbs of industry in so short a period in any other state. Nor had agriculture been behind other staple branches of national industry. Its produce had kept pace with the increase unparalleled in an old state, in the population, as well as the still more rapid multiplication of cattle and horses for the purpose of use and luxury; and amidst this extraordinary growth of consumption the still more extraordinary fact was exhibited of the average importation of grain steadily declining from the commencement of the century, till at length, anterior to the six bad seasons in succession,

which commenced in 1836, it had sunk to 40,000 quarters on an average of five preceding years, being scarce an hundred and twentieth part of the annual consumption of men and animals, which exceeds 60,000,000 quarters. And what is most extraordinary of all, the returns of the income tax, when laid on, even in the year 1842, a period of severe and unprecedented commercial depression, proved the existence in Great Britain alone, of 200,000,000*l.* of annual income of persons enjoying above 150*l.* each; of which immense sum about 150,000,000*l.* was from the fruits of *realized capital*, either in land or some other durable investment. It is probable that such an accumulation of wealth never existed before in any single state, not even in Rome at the period of its highest splendor.

"Considered in another view, there never was a period in which a greater amount of financial embarrassment has been experienced by the government, or more widespread and acute suffering endured by the people. So far has the exchequer been from sharing in the flood of wealth which has thus been so profusely poured into the empire, that it has, with the exception of two or three years of extraordinary and perilous prosperity, been during the whole of this period, in a state of difficulty. This steadily increased till it at last brought the nation to such a pass that it was extricated from absolute insolvency only by the re-imposition, during European peace, of the war income tax. Not only was the provident and far seeing system of Mr. Pitt for the redemption of the debt practically abandoned during the necessities of this calamitous period, but the national account turned the other way, and the annual deficiency gradually increased till it had reached the enormous amount of 4,000,000*l.* annually, and added, in six years of peace, no less than 11,000,000*l.* to the amount of the national debt. The nation, during the late years of the war, prospered and experienced general well being under an annual taxation of 72,000,000*l.*, drawn from eighteen million of souls; in the latter years of the peace it has, with the utmost difficulty, drawn 50,000,000*l* from a population of twenty-seven millions. Wages in the former period were high, employment abundant, the working classes prosperous, with an export of British and colonial produce of from

45,000,000*l* to 50,000,000*l*, annually; in the latter, wages were in many trades low, employment difficult, suffering general, with an annual exportation to the amount of 120,000,000*l* to 130,000,000*l*.

"But extraordinary and apparently inexplicable as these facts are, they are yet exceeded in marvel by the details of our social and economical state during this period of unparalleled increase in our material resources. It may safely be affirmed that the anxiety and distress which were felt during that brilliant period of national growth has never been surpassed, at least in a state possessing the external mark of prosperity. It is well known to what straits the bank of England has been reduced on two different occasions in that period. In December, 1825, it was, as all the world knows, in very great difficulties. We were, as Mr. Huskisson said, 'within twenty-four hours of barter.' In November, 1839, the stock of specie was reduced 2,800,000*l*, and the bank was under the necessity of negotiating 10,000,000*l* sterling from the Bank of France. * * *

"The distress among the mercantile classes for years after the dreadful crisis of December, 1825—of the agricultural interests during the low prices from 1832 to 1835, and of the whole commercial community from 1837 to 1842 was extreme. Wages sank, during these disastrous periods in the manufacturing districts, so low that they barely sufficed with the great bulk of workers, especially females, for the support of existence. Serious insurrections broke out in 1820 and 1842, both in England and Scotland, ostensibly for political purposes, but mainly occasioned by the general distress among manufacturing operatives, as was decisively proved by their entire extinction when labor again received a remunerating return.

"Farming capital in the agricultural districts was during their distress, everywhere grievously abridged—in many places totally annihilated. Ireland during the whole period has been in a state of smothered insurrection; and for the last four years has convulsed the country by the fierce demand for the repeal of the union, which was only prevented from breaking out into open rebellion by the continued presence in that island of 30,000 armed men between the forces and armed police. The manufacturing

districts of Scotland were involved, during the same period in such distress, that in 1837 the mortality in Glasgow was 1 in 32; in 1842, 1 in 30; and in the latter year 32,000 persons took typhus fever in that city, and the deaths were upward of ten thousand out of a population not exceeding at that period 280,000 souls.

"The late poor law commission has accumulated evidence proving to demonstration the existence of severe and unheard of distress among the poor of all parts of Scotland, generally esteemed, and in some respects with reason, the best conditioned part of the empire. The poor law commission for Ireland has shown that there are in that fertile land no less than 2,300,000 persons in a state of almost permanent destitution. The heart sickens at the proof, numerous and incontrovertible, which the parliamentary reports for the last ten years have accumulated, of wide-spread and often long-enduring suffering among laboring poor in England. * * * *

"While wealth was increasing to an unparalleled extent among the commercial classes, suffering and distress as generally ensued among the rural inhabitants; and the multitude of ruined fortunes among them rendered it certain that at no distant period the old race of landed proprietors would, with the exception of a few magnates, be rooted out, and their place supplied by a new set of purchasers from the commercial towns.

"While population was advancing with unparalleled strides in the manufacturing districts, pauperism even more than kept pace with it all; and the extraordinary fact has now been revealed by statistical researches that, in an age of unbounded wealth, and general and long continued peace, a *seventh* part of the whole inhabitants of the British Islands are in a state of destitution, or painfully supported by legal relief. * * *

"While the returns of the income-tax have demonstrated that seventy thousand persons in Great Britain possess among them an annual revenue of 200,000,000*l.* a year, or about 2,800*l.* each on an average, the melancholy fact has been revealed by the result of the attempts to increase the national revenue by means of indirect taxation (tariff), that that source of income can no longer be relied on; and in a

time of profound, and at the close of a period of long continued peace, it has become indispensable to recur to an assessment on property and direct taxation, as it was in Rome in the decaying periods of the empire.

"The blue folios of the Houses of Parliament teem with authentic and decisive evidence of the vast increase during the last thirty years of crime and frequent destitution among the working classes in all parts of the empire. Every four or five years a brief, feverish period of gambling, extravagance and commercial prosperity is succeeded by a long and dreary season of anxiety, distress, and depression. Frightful strikes among the workmen, attended with boundless distress among and hideous democratic tyranny over them invariably succeeded in the close of those periods of suffering, as pestilence stalks in the rear of famine; and popular insurrection has become so common, that it is a rare thing to see two years pass over without martial law being of necessity practically enforced in some part of the empire. And, as if to bring this chaos of contradictions to a perfect climax, at the very time when unheard of exertions have been made for the education of the people in every part of the empire, and the newly aroused fervor of religion in all denominations of christians has drawn forth unparalleled efforts for the diffusion of the gospel among the working classes, crime has made unexampled progress in every part of the empire; and the scandal has been exhibited of serious and detected offences having multiplied *sevenfold* in a realm which, in the same period, has not added more than *seventy* per cent to the amount of the population; in other words, during a period of unparalleled growth of wealth, and effort at instruction, crime has augmented TEN TIMES as fast as the the numbers of the people.

"We repeat it—this state of things is unparalleled in any other age of the world or quarter of the globe. We say this after due consideration, and a full appreciation of the unutterable and now forgotten miseries in which the world in general, and ourselves among the rest, have been involved in former ages, from the ravages of foreign war, or the grinding of domestic oppression. * * * What we do say is unparalleled in the history of the world,

is the *co-existence* of so much suffering in one portion of the people, with so much prosperity in another; of unbounded private wealth, with unceasing public penury; of constant increase in the National resources, with constant diminution in the comforts of a considerable portion of the community; of the utmost freedom consistent with order, ever yet existing upon earth, with a degree of discontent which keeps the Nation constantly on the verge of insurrection; of the most strenuous efforts for the moral and religious improvement of the poor, with an increase of crime unparalleled at the same or, perhaps, any other period in any civilized state. * * *

"Let us not deceive ourselves, therefore, nor ascribe to the laws of nature the misery arising from the erroneous tendency of human institutions. There is food enough in the land, and to spare; the surplus of it produced by the cultivators is daily and rapidly on the increase. The agriculture of Great Britain has stood a strain and kept pace with an increase in the demand for its produce during the last fifty years to which few parallels are to be found in the history of mankind. Nor are our resources by any means approaching their natural limits. On the contrary, they are as yet only in their infancy; and by a vigorous application of science and industry the land could with ease be made to maintain three times its present number of inhabitants. Capital exists, and to profusion, amply sufficient to give full and profitable employment to the whole community. Labor adequate to any possible expansion of industry is at hand. Above two millions of destitute persons are pining for employment in Ireland alone. Our colonies are increasing with unheard of rapidity. Nearly two millions of souls now exist in British North America; and the hundred and forty thousand in Australia alone consumed in 1843 no less than 1,211,815*l* worth of British produce, or nearly ten pounds worth a head. Yet with all this great and wide spread distress generally exists among the working poor, and whole classes of society in the more affluent ranks are gradually slipping down to a state of insolvency. That is the prodigy of our times; that it is of which it most behooves us to discover the cause; that it is of which the cause is to a large portion of the community unknown.

"In investigating the cause of this extraordinary state of things, one fact of leading importance must, at the very first glance, strike every observer. It is, that the opulence which has flown into the Nation has been very far, indeed, from being equally distributed; and that, generally speaking, the landed interests have been as much impoverished during that time as the commercial has been enriched. There are, it is true, colossal fortunes vested in land, chiefly in the hands of the aristocracy, which nothing can shake, and which have only become the greater in relation to the expense of living, from the limitation of the currency, which has proved fatal to so many estates of inferior magnitude, both in land and manufactures, around them. From the general tendency of realized commercial wealth also to investment in its purchase, the income of the land holders, taken as a whole, has rather increased than diminished during this period, *from the great number of estates which have passed out of the hands of laboring or insolvent old families into those of new and opulent commercial purchasers.* But, notwithstanding this, nothing is more certain than that the landed interests, on the whole, have been in great distress during the last five-and-twenty years; and that for a considerable part of that time their embarrassments were absolutely overwhelming.

ENGLISH FARMERS PETITION FOR RELIEF.

"From 1826 to 1835 the table of the House of Commons literally groaned under the loads of petitions praying for relief to agricultural distress, which the low price of every species of rural produce in the four last of these years too plainly proved were well founded. No person practically acquainted with the condition of the middle or lesser landed proprietors in any part of the empire, during that time, can have a doubt on that point. Let any man of middle years examine the condition of the landholders, having from 500*l.* to 2000*l.* per year, with whom he began life thirty years ago, and he will find that two-thirds of them are practically insolvent; that nearly all are deeply in debt; and that probably a half have sold their estates and are now dragging out the last year of a useless life and wasted

fortunes in what Dionysius, of Syracuse, called the most unhappy of all states—an indigent old age. The embarrassments of the landed proprietors are, with the exception of a few magnates, notorious and universal. This is decidedly proved by the prodigious extent to which commercial wealth is everywhere buying up the estates of the old gentry and rooting them and their families out of the land. And, what is very remarkable, this state of things is just the reverse of what it was during the war. Agricultural industry was then not only amply, but splendidly remunerated; rents were constantly rising; the farmer, rapidly made fortunes, and laid the foundation of the whole subsequent agricultural progress of Great Britain; and the purchase of land with borrowed money was nearly as certain a mode of making a fortune as it has since become a losing one.

"The next remarkable feature in the social state of Great Britain for the last quarter of a century has been, that capital has daily acquired a greater advantage over industry, or rather large capital over small. This may be regarded as a grand characteristic of the period, and which in its ultimate effects through society, has produced more widespread and durable results than any other. Proofs of this occur on every side; they lie as it were, on the surface of things. The common complaint, that there is no getting on now without capital, and that mere industry and good conduct are very far indeed from being a passport to success, if unaccompanied with this advantage, is a proof how strongly it is felt in all classes of the community. The colossal fortunes made by manufacturers and great capitalists, contrasted with the innumerable bankruptcies of lesser adventurers in the same perilous path, is another proof of the same fact. Every person's experience, especially in the manufacturing districts and commercial towns, must have convinced him of the universality of this tendency. The common complaint, that the money power had become all-powerful—that its sway is paramount in the legislature—and that it is able to set all the other interests in the community at defiance, proves how generally this evil is experienced in all classes. And a most decisive proof of the universal sense of the overwhelming, and often des-

potic influence of capital, has been afforded within this period by the simultaneous springing up, and astonishing multiplication in all parts of the country, of joint stock companies. (Incorporated companies.) These associations, comparatively unknown in former days, when isolated capital could make its way in the world, demonstrate the sense universally entertained of the inability of small or moderate fortunes, standing alone, to withstand the competition of the great commercial magnates. Like the defensive associations of disorderly or dangerous times, they are the combination of the weak who are endangered, against the strong who threaten danger. But from this effort at self-defense has arisen another evil, of no small magnitude, and which may come in process of time to overthrow the equilibrium of society. These joint stock companies have themselves become a great and formidable interest in the state; their sway in the legislature is well known to be superior to the East and West India shipping, both put together. Falling as they generally do under the entire guidance of one or two active and skillful directors, they have in effect enormously augmented the influence already preponderating, of accumulated capital; they often commit practically, almost with impunity unbounded inroads upon private property. The obligation of giving compensation to property injured or taken is often rendered almost illusory, from the results of the trials to ascertain its value. Defying competition, such companies are often deaf to the cries of justice. Industrial, as the French say, has come in place of territorial feudality; and probably men have already discovered, in most parts of the country, that a joint stock railway company, with its patriotic professions, accumulated capital, legislatorial attorneys, skilled engineers, scientific witnesses, railway stockholding jurymen, and legions of Irish laborers, is a more formidable neighbor than ever was feudal baron with his mailed men-at-arms, stout archers, strong castles, and open announcement of destruction to his hereditary enemies.

"The third feature of the last quarter of a century which is in an especial manner worthy of attention is, that while the growth of the national wealth, as a whole has been unprecedented, and of its population equally so in an old state,

neither the one nor the other have advanced in a proportional manner over the whole country. Generally speaking, the city population has immensely increased, and the rural by no means in the same proportion. In some counties the latter appears, from the late census, to have actually declined; in none, excepting the manufacturing districts, has it augmented in anything like the proportion of the inhabitants of cities. This is matter of common remark, and generally known, but few are aware of the prodigious extent to which the difference is gone. Those who will cast their eyes to the notes will see few examples of the difference in the progress of the rural and urban population, which will probably excite general surprise. (The Author here gives a table showing the increase of ten cities and the decrease of ten of the rural districts in population.)

"Nor has the increase of opulence in cities been less remarkable than the augmentation in number of their inhabitants. The daily display of wealth in the metropolis excites the astonishment of every beholder. It is not going too far to say that it is double of what it was at the close of the war. Manchester, Liverpool, Birmingham, Glasgow, Leeds, Bristol, Dundee, Aberdeen and all the trading towns of the empire, have advanced in a similar proportion, not merely in the opulence of a few, but the evident ease and well-being of a considerable proportion of the community. It is impossible to see the streets of comfortable houses calculated for persons of a moderate income, and the miles of villas beyond them for those more advanced in opulence, without becoming sensible that prosperity has almost everywhere descended far into society in the urban population."

"But there are by no means the same symptoms of growing prosperity in the rural districts. We see, indeed, cultivation everywhere extended, and the most strenuous efforts frequently made to drain and improve the soil, but we perceive scarcely any traces of these exertions leading to the accumulations of fortunes among their authors, to which they are so well entitled It is painfully evident that these efforts are made, not to accumulate money but to avert ruin. The farmers are contented if

they can live; to make fortunes has become so rare among them, that it is scarce ever thought of.

"We often hear of shop-keepers and merchants buying villas in the country to enjoy themselves in summer, but we never hear of farmers buying houses in town for recreation in winter. They do not even acquire small properties in the country. Wealth is evidently not accumulated in the hands of the cultivators of the soil. If they can pay their rents and maintain their families they deem themselves fortunate. The middle class of land-holders even have almost ceased to frequent towns in winter; the pretext is, that they are going abroad, or are sending their children to the continent for education. The real fact, that they cannot afford living in towns in Great Britain, and they are fain to hide their straitened circumstances under the obscurity of a foreign country. The affluence of the towns is astonishing; but those at present engaged in the labors of agriculture, or in the receipts of its rents add but little to it. It is derived from manufacturing or commercial opulence, from professional gains, from fortunes brought back from the Colonies, or from capital realized from, or rendered a burden on land in former or more prosperous times.

"The last feature—and it is a most distressing one—of society for the last twenty-five years in the British Islands, has been the extraordinary inequality on the condition of the working classes themselves, and the general want of those habits of foresight amongst them which are the only lasting foundation of durable prosperity. This is the more distressing, as it might reasonably have been expected to have arisen with the advantages many of them have enjoyed. It is a great mistake to say the working classes are all permanently miserable. Many of them doubtless are so; and what is very extraordinary, certain professions, or trades, are generally immersed in poverty, while others in their close vicinity are often rioting in affluence. Wages differ in a remarkable and most distressing degree in different places. In many of the agricultural districts they are as low as seven or eight shillings a week:—(An English shilling is one-twentieth of a pound, or about twenty-four cents in American money.)—The piecers and female work-

ers in manufactories seldom, save in years of extraordinary prosperity, earn more than six shillings. Weavers are generally as low as seven shillings a week; in seasons of distress they sink to four shillings and even less. On the other hand the cotton spinners, iron moulders and other skilled trades, earn, in ordinary years, from 20s to 30s a week; but the affluence of some professions or branches of labor affords no compensation for the degraded and unhappy state of others. It is impossible to strike an average in such cases. You might as well make an average of the happiness of some, and the sorrows of others in private life. Perhaps, however, those of the laboring classes who are in health and employment and belong to trades which are in a state of prosperity are fully as well off as they were during any former period of our history. * * *

"But it is this condition of the poor in the lowest grade which is the most extraordinary feature in the last twenty years, and which has now assumed such a magnitude as to have become, in every point of view, a national concern. The hand-loom weavers are everywhere at the starving point; with the utmost industry they can never earn more than seven or eight shillings a week; during periods of commercial depression it sinks to four or five. The ease with which this trade can be learned, its adaptation to weak or sickly constitutions, the early gain made by young persons, with the immense temptations of a poor family of avoiding a protracted or expensive education for their children by adopting it, is the cause of the universal lowness of wages in this branch of industry. It is the first step above total destitution. But this magnitude and condition of the destitute class itself is the alarming thing. In every great town in the empire there is a mass, about the twelfth or fifteenth of its number, who are generally in a state of almost total penury. In periods of commercial distress this destitute rises to double, sometimes triple its average amount. It is from this frightful tribulation of poverty, intemperance, vice and destitution that two-thirds of the physical contagion which ravages and four-fifths of the convicted crime which burdens society, takes its rise. The alarming increase of offenses which penal severity and

lenity, uncertainty and certainty of punishments, have been alike unable to restrain, mainly comes from this class.

"Close packed in the center and worst parts of every great city—crowded together, many families in the same room—scarce knowing where to find their daily food,—careless because destitute, often joyous because always unforeseeing, this deplorable body are retained within the precincts of contagion and vice by the iron bonds of hopeless poverty. It is impossible that regular or virtuous habits can be acquired, it is scarcely that those of intemperance and wickedness can be avoided, in their dismal abodes. If we penetrate into them we shall find that they are not peopled by any one class of society, but by the unfortunate, the reckless, and profligate from every class; and that the great majority, even of the criminals, are rather the objects of pity than censure. Widows with large families form the most numerous portion of this desolate community; destitute old men, young theives, abandoned drunkards, licentious prostitutes, shameless publicans, audacious receivers of stolen goods, and once virtuous families, brought into such hideous society, by being thrown out of employment, compose the remainder. And all this exists unnoticed, unrelieved, within a few hundred yards of the most unbounded opulence, amidst luxury unheard of, prosperity unexampled, and in a community making a more rapid progress in material resources than any that ever yet appeared upon earth.

"For a long period after the conclusion of the war it was said that the public distress, which was so generally and poignantly felt by all the industrious classes, was owing to the transition from the vast national expenditure of the war to the comparatively limited expenditure of the peace; and without doubt this cause, for some years had a very powerful influence. But it has long ceased to have any effect. It is rather too late to speak of the transition from war to peace prices, when we are in the thirtieth year of unbroken European peace; when we have during that time twice had, in 1824-5 and 1835-6 a perilous plethora of exuberant prosperity, when the duplication of our imports proved a corresponding increase in the means of purchasing foreign luxuries, and the trippling of our exports has

more than counter balanced the diminished purchases or expenditure on the part of government."

It is interesting to note that the English people passed through the same stages of controversy which have characterized the American situation during the past twenty-five years. British resumption was preceded, as before stated, with the demonetization of silver and the limitation of its legal tender quality, and also followed by an immense contraction of the currency which amounted to nearly one-half of the paper in circulation. Distress among the agricultural classes and among all branches of labor ensued, as a matter of course, and Parliament was petitioned by every class of industry for relief.

THE TARIFF DOCTOR.

At this point the tariff empiric made his appearance and the people were told that public distress was neither caused by a contraction of the currency nor by a deficiency of the circulating medium, but was caused by the sudden transition from war to peace and by the burdens of taxation. That as soon as the nation would be relieved from this burden and when again settled into its accustomed state of tranquility, things would go on as before and all classes of society would be prosperous.

They were told that the thing which afflicted English industries most was their system of indirect taxation—tariff duties. If these could be repealed all classes would at once emerge into an era of unparalleled prosperity.

The farmers were skeptical, however, and petitioned for loans from the Government at a low rate of interest—loans based on staple agricultural products and upon land. (See Ricardo's Works, p. 456.) But they were told this would never do as it would lead to an inflation of the currency which would certainly prove detrimental to all classes.

Diminished burdens was the remedy. This would relieve them of their distresses. Nothing else was necessary. Constant use of cathartics and total abstinence from tonics was the sum total of the political therapeutics of the period. Ricardo published his work upon political economy; learned speeches were made in Parliament; reports of parliamentary committees filled the journals of both houses; and finally the concensus of opinion approved of the plan of repealing gradually the indirect taxes with a view to reaching ultimate free trade and to secure the relief so sorely needed. Accordingly the plan was entered upon, and between 1819 and 1845, there were 30,000,000*l.* of indirect taxes repealed and England reached a condition of trade which is characterized by the economists of our day as being practically free from the abomination of protective laws. Has British labor been emancipated in consequence? In spite of the relief which came to labor and agriculture from a repeal of the so-called protective duties, the condition of the laboring classes of Great Britain has grown worse from year to year, and the number of land-owners has constantly diminished. The reflective mind will find in this ample proof that labor needs something more than mere relief from its pack-saddle. The pittance saved by the repeal of taxes will not alone afford relief. He must have rest, food, and opportunity for intellectual and moral culture. To secure these essential comforts the income from his toil must be materially increased. Without money his wants can only be appeased at the hand of charity. If his money has been filched from him it should be restored. If withheld it should be granted him at once.

But let our enlightened historian, Mr. Alison, point out to us the real cause of distress among the British laboring people. After showing that the repeal of tariff duties did not relieve them, he says:

"Some external causes, therefore, must have paralyzed and blighted the financial resources of the nation in the midst of such unbounded and increasing growth of the national wealth since the peace. And the all-important question arises—what was it which had this effect?

"The answer is: it was the Contraction of the Currency, which was unnecessarily made to accompany the resumption of cash payments by the bill of 1819, which has been the chief cause of all these effects. * * *

"It need hardly be told to the most heedless or superficial reader, that a currency is required to carry on the transactions, public and private, of men in their intercourse of exchange with each other; that it consists in general, of the precious metals, which by the common consent of men are employed and have been so from the earliest period, for that purpose on account of their being at once rare, durable and portable; and that, in civilized and mercantile communities, paper notes, of some sort or other, have been usually resorted to in modern times to meet the wants of commerce, and remove the evils which may be frequently felt from the supply of the precious metals being less than the community require.

"It follows, as a necessary consequence from this, that when the commercial transactions of a nation increase the circulating medium should increase also. This is as necessary a step as that, when a people increase the subsistence by which they are to be maintained should be augmented in a similar proportion. If twenty millions of men on an average of years and transactions, require forty millions of circulating medium to conduct their transactions, and if these men swell to thirty millions, they will require, other things being equal, sixty millions for their transactions. If a supply proportioned to the increase of men and the wants of their commercial intercourse is not afforded the circulating medium will become scarce, it will rise in price from that scarcity, and become accessible only to the more rich and affluent classes. The industrious poor, or those engaged in business, but possessed of small capital, will be the first to suffer: they will find it impossible to get the currency necessary to carry on their business, and will fail in consequence. To retain the circulating medium of a

country at a stationary or declining amount, when its numbers are rapidly increasing, and their transactions are daily augmenting in number and importance, is the same thing as it would be to affix a limit to the issuing of rations to an army, at a time when the number of soldiers it contained was constantly augmenting; or to reduce the quantity of oil used in a machine when the wheels which required its application were always on the increase. The inevitable result would be, that numbers would be famished in the first case, and the weaker parts of the machine impeded by friction in the second.

"When the precious metals, either over the whole world, or in a particular state become more abundant than formerly, the necessary consequence is, that they become less valuable and consequently decline in price. But as, by the custom of all civilized nations, value is measured by a certain amount of the precious metals, either coined or uncoined, received or capable of being received, for them when brought in to market, this decline in value in the circulating medium is rendered apparent by a rise in the money price of all other articles. For example, if a quarter of wheat is worth, or will buy, at a certain time, in a particular country, half a pound weight of or pure silver, and by a sudden addition to the productiveness of the mines, which supply the world with the precious metals, the amount in circulation is doubled, the result will be, that a quarter of wheat will be worth, or will sell for, a whole pound of pure silver. And, *e converso*, if the supply of precious metals is again contracted to its former amount by a failure in the sources from which they are obtained, or an extraordianry absorption or hoarding of them in any particular part of the world, so that the currency in the country is restored to its former and more limited amount, a quarter of wheat will again come to be worth, or to be equal in value in exchange, to half a pound of pure silver only. All this is the necessary result of the principal that commodities are valuable and bring high prices when they are scarce, and decline in exchangeable value and bring low prices while they are abundant, which is universally and constantly evinced in the transactions of private life."

The evils which followed the passage of the resumption act threw British society into confusion, and distrust seized generally upon the public mind. In the autumn of 1817 the terrified Government induced the banks to raise the circulation to something near the amount that was flowing in the channels of trade prior to the commencement of contraction. We quote from an English work written and published by Jonathan Duncan, in 1857, to show the magical effect which this reissue of paper had on the commerce of the empire:

"The consequence was that prices again rose actually to the level of the war, and general prosperity returned, thus refuting the silly idea prevalent among many classes that a state of hostilities had caused the rise, the truth being that it was wholly due to the emission of paper money. If historical evidence be demanded to sustain the doctrine, such evidence is at hand. During the American war of independence, the colonies used paper money, while England retained its metal money. At that period all prices advanced in America; in England no advance took place. In the war against revolutionary and imperial France, England adopted paper money; France maintained its metal money. Land and all products advanced in England, they maintained an equal level in France, after the supression of assignats and mandats. Prices did not advance in England during the American war of independence, nor in France during the war to which we have referred. * * * It has been stated that the prices rose in 1818 to the war level, and that rise has been referred to the expansion of legal tenders of seven millions over and beyond the amount of circulation prior to the autumn of 1817. It was shown before the agricultural committee of 1821 that, in 1818, wheat was 84s and 1d per quarter as compared, not with the consumption of the war, but with the consumption of 1818. Taking the large towns of Liverpool, Manchester, Birmingham, Sheffield and Leeds, not only bread, but meat, fell in 1819, 1820 and 1821, that is after gold payments were ordered to be resumed. The fall in meats in those towns proved before

the committee to have been fifteen per cent; and proved by the most decisive evidence, the diminution of hides being fifteen per cent. If any one superficially considers that a fall of fifteen per cent was a proof of cheapness, let him bear in mind that the supply of animal food had declined with the same scale of percentage; and let him further take notice that a petition from Birmingham to Parliament in 1812, stated that less butcher's meat was consumed as butcher's meat fell, Showing such a decline of wages simultaneously with the decline of food, as deprived the working classes of that command over commodities which they had enjoyed in 1818, when the supply of the legal tender was ample.

"The year 1818 was not only a prosperous year for agriculture, but a prosperous year for commerce and shipping. In reply to questions asked by the committee on foreign trade, which sat in 1820, Mr. Tindall, an eminent ship builder, said, that in 1818, the value of ships had recovered from depression; and that there was enough employment for all ships, including the transports discharged after the war, of good freights." Mr. Tooke stated, "In 1818 I had very great difficulty indeed, in getting the requisite quantity of shipping." But, in 1819 and 1820, that is after Peel's bill was passed, ships were again too numerous for commerce; then Mr. Tooke said, "he could have procured double the quantity of tonnage he desired." Mr. Maryatt, a member of the House of Commons, and a most extensive West India merchant, averred in a speech delivered by him in Parliament in 1820, that a vessel called 'The Sesostris,' which cost in 1818, £12,175, was sold in 1820 for £6,300. If this case stood alone, it would be insignificant in support of the present argument; but Mr. Maryatt declared that the rule was universal, of which he cited numerous instances. In fact, in 1818, commerce, manufactures and agriculture all flourished. The following statement is taken from the report of the finance committee of 1819, in which it comments on the revenue of 1818:

"It appears that the total revenue of Great Britain in the year 1818, exceeded the same revenue for 1817, by the sum of £1,705,510; and that the total revenue of Ireland for 1818 (when money was plentiful) exceeded that for 1817

by the sum or £192,969, making a total improvement of the revenue of the United Kingdom, as compared with 1817, of £1,898,479; but this comparison will be rendered still more correct, and the result will be more favorable, if the sum of £2,230,531. being the amount of unappropriated war duties received in 1817, be deducted from the income received in that year; and if the sum of £566,639, the amount of appropriated war duties received in 1818, be also deducted from the total revenue received in 1818. It will then appear that an improvement to the amount of £3,662,-371 has actually taken place in the premanent revenue of the United Kingdom in 1818, as compared with 1817."
* * *

THE PROMOTERS OF BRITISH RESUMPTION MISTAKEN AS TO THE EFFECT OF THEIR SCHEME ON PRICES.

The return to specie payments in England was forced by the holders of bullion who were doubtless backed and supported by the British aristocracy and the principal share holders in the Bank of England. The country bankers, the merchants and traders, petitioned Parliament against the passage of the Peel bill, but their petitions were disregarded. The elder Peel in presenting a petition of this character made the following statement in Parliament:—

"In looking at the reports which have been published on the subject, he must say that the witnesses (those examined by the committee having the Peel bill in charge) were not men likely to give any information to the public, not men acquainted with the state of the country; the last men who should have been questioned if the government wanted to arrive at the merits of the case. He begged to state his opinion, that the petitioners were the best judges of such a measure. He would also add, that though they were intimately connected with all that concerned the welfare of the country, the most experienced men, and the best qualified from their connection with our manufacturers and commerce, *yet they had not been examined before the committee.*"
* * *

"To show that the act of 1819 was passed in utter ignorance of its character, we must here deviate from strict chronological order, to what transpired in 1832, when Mr. Mathias Atwood was examined before the select committee on the state of agriculture. That gentleman was asked, 'Do you remember what was stated at the time in Parliament on that subject—that the act of 1819, would not alter prices more than four or five per cent. at the utmost?'

Mr. Atwood gave this answer:

"It was never stated that the abolition of the silver standard would alter prices at all. It was stated, with reference to the act of 1819, which established the present standard, that this would alter prices to the extent of four or perhaps five per cent. A member of the committee of 1819, stated in his place in the House of Commons, nine years after that time, that he, as a member of the committee, was entirely mislead as to the character of the measure which was founded on its recommendation and report. He stated that, in his belief, every member of that committee was similarly mislead; he addressed himself to the chairman to ask if this was not so; he stated that the committee, entirely inexperienced in such matters, were mislead by witnesses perfectly uninformed, who talked of a fall of prices of four or five per cent, when it was since rendered undeniable that a fall of prices had been produced, and an alteration in the value of money, not of four or five per cent, but of twenty, thirty, or forty per cent; that if the character of that measure, the act of 1819, had been known to him he would not have voted for such a measure, or supported it in the House or in the committee, nor did he believe that any one member of the committee, knowing the character of the measure, would have supported it, or that the chairman of the committee would have done so."

"Mr. Atwood was then asked if Mr. Robert Peel was not the chairman alluded to? The answer was 'Yes, he was present and made no answer to the statement.' It was Mr. Bankes who made the statement. Another member of the House of Commons, Sir James Graham, put a question to the chairman of the committee (Mr. Robert Peel)

in the House immediately after the statement of Mr. Bankes, whether he contradicted that statement, and he gave no contradiction.

"We return to the year 1819. Not one word was said in debate of that clause in the suspension act which pledged Parliament to restore cash payment six months after a definitive treaty of peace. It was felt that such a pretension, several years after peace had been signed, was ridiculous. The reasoning of the bullionists was of a very different character. As their spokesman they put forward Mr. Ricardo, a gentleman largely engaged in stock exchange operations, and who was looked up to as an authority on trade and finance, he being the author of some able works on political economy. He gave it as his opinion that the return to cash payments would only lower prices about four per cent, and he was believed as an oracle is believed. This fall was so trifling that all effective opposition ceased. Mr. Baring, Mr. Atwood, and Mr. Ellice warned the House that the fall would be twenty-five and probably fifty per cent, but their counsel was unheeded. But it must be stated in justice to Mr. Ricardo, that he afterwards had the magnanimity to confess the gravity of his error, thus favorably contrasting with those whom a false pride or some motive still more unworthy, rendered obstinate and callous.

"On Mr. Western's motion in 1823, Mr. Ricardo said he had computed the whole rise in the value of money since Mr. Peel's act at ten per cent., but at the same time avowed that he had very little ground for forming any correct opinion on the subject. "By comparing money," he said, "with standard value, we had certain means of judging of its depreciation, but he knew of none by which we were able to ascertain with certainty alterations in *real* or *absolute* value. * * *

"Mr. Ricardo lived to change his opinion concerning the effect of the Peel bill and shortly before he died, expressed that he had done so. The late Sir Wm. Heygate was with him when he said, 'Ah, Heygate, you and a few others who opposed us on cash payments have proved right. I said that the difference at most would only be five per cent., and you said at the least it would be twenty-five per cent.'

"Thus it appears that the act of 1819, was condemned by its chief promotor; and it will be remembered that Mr. Bankes, a member of the committee which had recommended the House to pass it, declared it was passed under a complete misapprehension of its nature and consequences. These facts are important; they refute the silly assertion that the currency question is settled, and furnish the strongest argument in favor of a serious reconsideration of our whole monetary system.

"Immediately on the passing of the bill prices began to fall. Those persons were fortunate who obtained seventy-five pounds for what had previously sold for one hundred. Profits and wages rapidly and extensively declined. Riots broke out in the manufacturing towns. The Luddites attributed their suffering to machinery, and destroyed it when they were able. Large meetings were held, demanding Parliamentary reform as the proper cure for the evils endured. To aggravate the pressure, and add fuel to the flames of discontent, three millions of fresh taxation were imposed. The agricultural laborers now emulated the mechanics of the towns, burning corn stacks and hay ricks, for which some of them were hanged. The harvest of 1821 and 1822 proved abundant; wheat fell to 43s and 3d., and the ruined farmers petitioned for agricultural relief. Government, infatuated with bullion errors and spurning the idea that any distress could arise from the resumption of cash payments, attributed all misery of which the farmers complained to the extraordinary productiveness of the crops (overproduction). Such ignorance and impiety are scarcely credible, but the fact is not to be disputed, as the Parliamentary debates in Hansard attest; nay more, the walls of Parliament rang with approving cheers when the doctrine was enunciated. However, the ministerial triumph was short. Not only were the English laboring classes unable to obtain bread in the midst of this imaginary overproduction, but quickly news arrived that there was a famine in Ireland. Subscriptions were raised; every pulpit, by royal command, was put into requisition to solicit alms, and the bubble of overproduction burst." (Jonathan Duncan, on the Currency, 101 to 112, inclusive.)

Having acquainted ourselves with the practical operation and effects of the liberal system of finance adopted by Great Britain during the protracted struggle for the overthrow of Napoleon, and having been made familiar with the disastrous and merciless consequence which followed the return of the mother country to the gold basis after the close of that struggle, let us now recall our own experience under like circumstances and policy of legislation. The duplication of history will become strikingly apparent as we advance.

AMERICA FROM 1857 TO 1861.

In the year 1857 the people of the United States were precipitated into financial revulsion. The crisis was brought on by an unhealthy extension of all forms of bank and commercial credit. This expansion occurred while the business of the country was on a specie basis. In the month of October of that year the banks universally suspended cash payments, and the importers of dutiable merchandise stored their wares without payment of duty, as the law permitted them to do, for a period of three years. The foundation upon which the business of the country rested suddenly gave way and of course the whole super-structure tumbled into ruins. The people were deluged with debt and stood empty handed amid the wreckage of existing disaster facing an impending crisis of prodigious magnitude which was destined to burst upon them before they could possibly have time to rebuild their fortunes. On December 22, Congress, following the recommendation of Secretary Cobb, passed an act authorizing the issue of $20,000,000 of interest-bearing treasury notes, which were made receivable in payment of all dues to the United States. This enabled the Government to meet current expenses, but relief was not extensively felt in the ordinary

channels of trade as there were no notes issued of less denomiation than fifty dollars. Business recuperated at snail's pace and the crippled fortunes of those who suffered disaster dwindled away or were largely consumed by costs incurred in legal proceedings brought for the collection of debt. The people staggared along as best they could for a couple of years and were slowly recovering from the panic, when they were suddenly confronted with the portentious political contest of 1860 which ushered in the protracted and bloody drama that followed.

When Mr. Lincoln was inaugurated he found an empty Treasury, and it soon became apparent that the accumulated resources of the country were wholly inadequate to meet the unprecedented emergencies of the situation.

The initial epoch in the struggle of Great Britain for the overthrow of Napoleon was of four years duration—from 1793 to 1796, inclusive—and it was, as we have seen, a period of widespread financial depression. It is a remarkable fact that our Government was scourged and chastened in almost exactly the same way for a like period of four years prior to the breaking out of the rebellion. Our financial troubles began with the panic of 1857 and the early months of 1861 plunged us into the vortex of civil war.

FROM 1861 TO 1865.

Fort Sumter surrendered April 14. President Lincoln immediately called for seventy-five thousand men. By June most of the Southern States had seceded, and in that month General Butler, being insufficiently supported, was sorely pressed at Big Bethel. The disastrous battle of Bull Run followed in July and the Union forces fell back upon Washington. Within two days a call was issued for a half million volunteers to serve for three years. Con-

gress met in extra session July 4. The meagre amount of specie in the country soon became apparent and the total inadequacy of our circulating media was plainly seen by all. The Secretary, Mr. Chase, submitted to Congress his plans for raising funds, which consisted of a resort to the issue of Treasury notes. By the acts of July 17 and August 5, 1861, the Secretary was authorized to issue two hundred and forty millions of twenty year Treasury notes, bearing not to exceed seven per cent, or 7 3-10 per cent Treasury notes, and he was also authorized to issue a limited quantity of Demand notes, bearing no interest but receivable for dues. In August, 1861, Demand notes were issued, the total amount finally aggregating $60,000,000. The New York banks refused to receive them except on special deposit, and the railroads refused them in payment of fares and freight. The Secretary and subordinate treasury officials signed an agreement in writing to receive them in payment of their salaries! General Scott, in September, 1861, issued a general order, which was read to the army, stating that "The Treasury Department, to meet future payments to the troops, is about to supply, besides coin, Treasury notes in five, ten and twenty dollars, as good as gold."

These notes were made a legal tender by the act approved March 17, 1862.

Specie payments were suspended December 28, 1861, and as these demand notes were receivable for customs duties they speedily rose to par with gold and there remained, substantially, through all the vicissitudes of the war until they were retired.

Following the issue of Demand notes came the vast issues of Government paper of various kinds and descriptions. When this mine of wealth and power was opened up, the spirit and matchless courage of the army, the devotion and

enthusiasm of the people, and the resolute unfaltering purpose of the administration united to astonish and dazzle the world by their achievements. As the sinews of war were supplied agriculture bounded into prosperity, labor found ample employment at remunerative wages, mercantile pursuits became lucrative, artisans flourished and unprecedented prosperity abounded in country, village and city—and all this despite the terrible strain of the war. The purse of Fortunatus had been found. A vast mine of power, a great store-house—filled with almost limitless wealth, had been opened to the astonished gaze of the people, and from that moment the strength of the Republic became irresistable. The area of cultivated land rapidly increased, immense lines of transportation were projected and completed, and the revenues, which were so meagre at the commencement of hostilities as to render the Government an object of contempt, under the improved systems of taxation, public loans and the enhanced ability of the people to pay, suddenly became ample to meet the unprecedented emergencies and demands incident to that gigantic struggle. The power of the Government and the strength of its finances increased as the war advanced. Each succeeding call for additional troops was rapidly filled, and confidence in the value of public securities increased as the calls for the sinews of war multiplied. The capitalists who rejected the paltry sixty millions of Demand notes in 1861, were eager to invest in the almost illimitable issues of 1864–5. The Nation had been lifted out of the narrow and sordid ruts of bigoted economists and had emerged into the broad realm which recognized the omnipotence of the people.

The war closed in a blaze of glory after four years of bloody sacrifice. The soldiers of the victorious army returned to their sections of the Union and were amazed to

find the country in a state of unexampled prosperity. About two billions of dollars of various kinds of money had been poured into the channels of trade resulting in a flood tide of opulence which reached to every village and hamlet in the North.

Secretary McCulloch, in his report to Congress, December 4, 1865, publicly recognized the improved condition of the country and said: "The country, as a whole, notwithstanding the ravages of the war, and the draught which had been made upon labor, is, by its greatly developed resources, far in advance of real wealth of what it was in 1857 when the last severe financial crisis occurred. The people are now comparatively free from debt." * * * * "There is an immense volume of paper money in circulation."

Speaking of the advance in the prices of those articles which were in demand by the Government, the secretary said:

"On a basis of paper money, for which there is no outlet, all articles needed for immediate use, of which it became the measure of value, felt and responded to the daily increase of the currency; so that rents and the prices of most articles for which there has been a demand have been, with slight fluctuations, constantly advancing from the commencement of the war, and are higher now, with gold at forty-seven per cent premium, than they were when it was one hundred and eighty-five. Even those which were affected by the fall of gold upon the surrender of the confederate armies, or by the increased supply or diminished demand, are advancing again to the former if not higher rates."

The Secretary further says:

"It is undoubtedly true that trade is carried on much more largely for cash than was ever the case previous to 1861, and that there is a much greater proper demand for money than there would be if sales were made, as heretofore, on

credit. It is also true that there is a larger demand than formerly for money on the part of manufacturers for the payment of operatives."

Both white slaves and black had been emancipated at one and the same time.

THE GRAVE RESPONSIBILITY OF THE SECRETARY.

The country, under the encouragement afforded by a sufficient volume of non-exportable domestic currency, well distributed, had grown and expanded into proportions which were but feebly comprehended by the astute head of the Treasury department. It is evident, also, that both he and the speculative and sinister coterie which surrounded him, were either unable to comprehend the great economic lessons which had been evolved by the war, or they were unwilling to accept the truth which had been thrust upon them by the logic of events. In the same report to which we have already alluded the Secretary further expressed himself as follows:

"The expansion has now reached such a point as to be absolutely oppressive to a large portion of the people while at the same time it is diminishing labor, and is becoming subversive of good morals. * * * There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and extravagance, but is striking at the root of our national prosperity by diminishing labor. * * * The remedy, and the only remedy within the control of Congress is, in the opinion of the secretary, to be found in the reduction of the currency."

FROM 1866 TO 1875.

Congress responded to the fervent appeals of this high official and passed an act approved April 12, 1866, which authorized the Secretary of the Treasury, at his discretion, to receive Treasury notes or other obligations issued under

any act of Congress, whether bearing interest or not, in exchange for Government bonds. This inaugurated the policy of contraction, set the cremation furnace ablaze for the cineration of our currency, and started the vast majority of persons possessed of limited means and who were engaged in legitimate business, across lots to inevitable bankruptcy. On the 31st day of August, 1865, the public debt reached its maximum and amounted to $2,845,907,626.65. Of this only $1,109,568,191 was bonded debt. (See Knox's work on U. S. Notes, page 85.) The remainder consisted of treasury notes and currency obligations of various kinds in circulation as money. By June 30, 1869—a period of three years and ten months, the bonded debt had increased, under the currency contraction policy, to $2,166,568,920. (See statement of the bonded debt, at various periods, made by the Comptroller, in his report of 1889, page 35.)

In other words, the funded debt had increased over one billion dollars, while various kinds of obligations in use among the people as currency had decreased in like amount.

This tremendous contraction, coupled with the fact that more than ten millions of people residing in the south had, by the close of the war, been suddenly added to our money using population, compelled the people to substitute credit for money. They ceased to pay cash and plunged into debt wholly oblivious to the fact that the money kings had decreed a universal and disastrous fall in prices. The ten millions of people in the South were now competitors for the residue of currency which has escaped the cremation furnace, and this fact alone would have produced a stringency if there had not been a dollar destroyed. But the vast body of business people, being entirely ignorant of what was going on at the Treasury and unadvised both as to the fact of contraction and the effect which was doomed to follow, plunged ahead as though nothing had happened,

confidently expecting money to be as plentiful in the future as it had been in the past. Disappointment was of course inevitable; and then began the process of binding burdens upon the shoulders and backs of the people. The load was carried through the first year and then renewed and increased. At the end of the second, mortgage security was largely called for and prices continued to fall; but the people were assured that their sufferings were only the result of the over-production and transition from war to peace. Wages began to decline, manufacturers and the whole range of industries reduced their employes to the minimum, extra farm hands were discharged, domestic help dispensed with and incidental expenses curtailed throughout the entire country. But nothing could avert the impending calamity. The people staggered along as best they could from 1867 to 1873 and then fell down beneath the weight of accumulated burdens. Crash followed crash until it seemed doubtful whether there were any business establishments strong enough to resist the current of disaster. Mercantile and bank failures became so common as scarcely to attract attention and despondency took the place of hope and activity. Consumption of the necessities of life diminished in proportion as the ability to purchase was taken away. Meantime, as if to mock the short sighted and viscious economists and legislators of the period, Providence threw annually into the laps of the people such a succession of bountiful harvests as had never before been known since man began to cultivate the soil of the New World. And yet, nothwithstanding it all, hunger stalked the streets of our cities, filled our manufacturing districts with gloom, and the lack of consumption at the centers of population left the crops to rot in the fields, mould in the bins or to be exported for what could be obtained on an over-supplied European market. Manu-

factures were sparingly called for and under-consumption became the forced economy of every household. The army of the unemployed increased as the bounties of nature multiplied, until every highway, every village, every city was thronged with tramps. They besieged every train and sometimes in such numbers as to force their passage from one locality to another. They slept upon the ground and begged for work and bread during the summer, and sued for lodging and a crust in the lockups and prisons in the winter.

But those who inaugurated the malevolent policy which precipitated these results were unrelenting and pursued their plan with cruel persistency. Like military chieftains who sit safely in the rear and cooly calculate the loss of life likely to take place in a contemplated battle, so these self-constituted economists had counted the losses and cost likely to follow the execution of their schemes and hence were not disturbed when they were brought face to face with them. Indeed they had the great precedent of modern times before them when they mapped out their plans, and knew approximately the calamities which were to follow.

THE ANGLO-AMERICAN COMBINE.

The influence of British wealth and British institutions have always been potential in financial circles in the United States. The confidential relations and sympathies which always exist between great financial houses and fiscal managers of neighboring nations, tend in the very nature of things to bring about mutual understandings and accommodation of ideas. Such persons are not likely to be deeply in love with the doctrine of human equality or to be especially interested in systems of political economy which are designed to build up the power and the independence of the industrial classes. The usurers of the world know what

they want and they ask for it without hesitation. At the very first session of Congress under the Constitution an act was passed to charter a United States bank carefully patterned after the bank of England—an institution which has been the chief solace of the aristocracy and nobility of that realm since Patterson, the buccaneer, and Montague the courtier founded and fashioned it for their special benefit.

One of the chief reasons urged by General Jackson for his determined fight against the United States bank was the fact that British and other foreign capitalists were shareholders in it, and hence could undermine the prosperity of our people and endanger the stability of the Republic. The old hero understood that a Democratic government had no use for an aristocratic or monarchial system of finance. He knew that the two could not flourish together. But the times were not auspicious for the British system of finance in Jackson's day. There was no public debt upon which it could be founded. The last obligation was called in and paid during his admirable administration, and a large surplus was divided among the States and thus returned to the people.

Extensive and intimate Commercial relations between the two countries as well as the social and business courtesies constantly exchanged between the financial magnates of the old world and the new, served to impress upon the moneyed men of this country the superiority and excellence of the English system; and all that was needed was an opportunity and a plausible pretext for its introduction into our fiscal polity. Both were furnished by the late civil war, and they were eagerly improved. The promotors of the plot not only secured the adoption of the system, but they induced the Government to levy tribute upon the people to furnish the means necessary to its establishment.

They monetized the credit of the whole people and bestowed it gratuitously upon men who had schemed throughout that perilous struggle to embarrass the Treasury and hence to discourage our arms.

The foundation of the English system was laid in this country when the various acts were passed to authorize the issue of the different classes of war bonds. This was a tremendous stride towards a perpetual National debt. Then followed in train the exception clause in the Legal Tender act, the law authorizing the exchange of United States notes at their face value for Five-twenty bonds. The whole scheme was finally consummated by the passage of the National Bank acts of 1863–4, and the contemporaneous act making the banks the fiscal agents and depositories of Government funds.

Next in order came the act pledging the payment of all Government obligations in coin. In due time (1873–4) came the acts prohibiting the further coinage of silver dollars and restricting their legal tender quality to sums of five dollars. In this they exceeded the British act of 1819 from which the American law was copied. The English act made silver a legal tender for forty shillings, about ten dollars in United States money.

The battle of Waterloo which terminated the long struggle for the overthrow of Napoleon, took place in June, 1815, and within a brief period thereafter preparations began for the resumption of cash payments. Peel's bill for this purpose passed in 1819, but preliminary legislation, such as the act to demonetize silver and others, were passed prior to that date. They were about four years in inaugurating the cruel and relentless policy. A like period was occupied in this country. Our so-called Resumption Act was passed in 1875, and it provided for resumption of cash payments January 1, 1879. The result in England is graphically

described by Sir Archibald Alison, in the quotations above given. The reader will note how completely the afflictions following resumption in this country correspond with the dire calamities which befell Great Britain under like fatal contraction.

When the financial crisis of 1873 was precipitated upon this country, who, as a general rule, were first to suffer? It was the industrious poor and those engaged in business with small capital. The first were cast adrift without labor and the latter driven into helpless bankruptcy. The gloom of dispair settled over whole communities of laboring people and labor centers became the centers of want and destitution.

The next disheartening manifestation was among the tillers of the soil. The price of agricultural products fell far below remunerative prices, and with but short exceptional periods, the same discouraging situation has continued until the present day. The great majority of those who were in debt when the panic came, have been unable to extricate themselves. They lost their homes and were driven into the towns and cities to find a pracarious subsistence in localities already congested and overcrowded. Gradually, those possessed of large capital which had been doubled by the fall in prices, began to loan their money at high rates of interest, taking agricultural lands for security. This seemed to promise relief to this important branch of industry, and as the distress was universal, the borrowing became general. It reached every community in every state. But the prices of all kinds of farm produce continued to rule so low that it was soon ascertained that after taxes and a bare living were deducted from the income of the farm, there was barely enough, and in thousands of instances, not enough left to pay the interest due on the mortgage. It was found that in every instance where the farm was

mortgaged, there were two families to be supported from its products—that of the mortgagor and that of the mortgagee, and the latter's family had to be supplied first. New England had become to the agricultural West and South a veritable Old England. Our wealth was drained into her coffers as certainly as that of Ireland was drained into the pockets of the landed aristocracy of Great Britain.

Population continued to increase and money became proportionately scarce. The song of over-production was sung, the convenient theory that our distresses were caused by the sudden transition from war to peace was urged from every stump and filled the pages of every magazene, Executive message, and financial report, but still the blight and mildew remained.

The next noteworthy manifestation of the abnormal condition of our economy was the rapid multification of incorporated companies. Finding money scarce and hard to get, combinations, incorporated and clothed with special privileges, not enjoyed by individuals, were formed to crush out personal enterprise and control trade. These have multiplied by tens of thousands in every state and territory in the Union. Thus rivalry sprang up between corporations and the warfare gave rise to the trust, which is an association of corporations formed to limit production and arbitrarily fix prices. This form of association controls almost every branch of manufactured products and casts its baleful power into every community. It has grown so strong as to defy the Government and proudly challenge organized labor to open combat.

These were exactly the phenomena which accompanied contraction and specie resumption in England. The depression among the agricultural classes there produced great distress and the farmers organized and petitioned for Government loans. But they were hampered by ballot

restriction and could not make their petitions effective. And now the same old tariff quack is abroad in the United States. He is prescribing the same medicine for the American patient. Take, he says, the same treatment that was prescribed for England under like conditions and all will be well.

Such is the story, briefly and imperfectly told, of the lamentable situation among our industrial people. The picture falls far short of an adequate representation of our alarming condition. But the testimony of the two witnesses, England and America, covering the whole page of the century, cannot be disregarded. If properly studied and honestly applied, the two great examples will transform the political economy of the world. We respectfully commend it to the thoughtful consideration of all who honestly long for the perpetuity of Republican institutions.

CHAPTER VI.

EVOLUTION IN CRIME OR IMPROVED METHODS OF PIRACY.

The elements of character which go to make up the highwayman, are: physical courage, disregard of moral obligations, aversion to labor, a high estimate of the value of money, a low estimate of the value of human life, stolid indifference to human suffering, and defiant disregard of the law. This type of person takes his life in his hand, lives on a war footing with society and looks upon Government simply as an organized police force and as his natural enemy. His only restraint is fear, and even this enhances his cruelty. Such characters infested human society at very early periods, becoming more numerous as society itself became lawless and anon diminishing as soon as tranquility returned and justice was rigidly administered among men. When such characters become numerous and confederate in large numbers they are called brigands. Italy has had eighteen hundred years of such lawlessness. It has become hereditary and comes down to the present day bearing its lesson of warning from the demoralized condition of society which existed prior to the fall of the Roman Empire.

Doubtless the love of money—avarice—is the supreme, all-swaying passion of the highwayman. It is but natural that he should be universally feared, detested, and dealt with without mercy. Robin Hood, the famous English

outlaw and his accomplices, of the thirteenth century; Rob Roy, the Scotch robber of the seventeenth century, who, in order to avenge the loss of his lands, led the life of a marauder for many years; Fra Diavolo, the noted brigand of Italy, and Jesse James of our own period, though differing greatly in character, are among the noted robbers of the world. Some of them occasionally exhibited humane traits of character. For example, it is said Robin Hood never robbed women nor the poor, but often bestowed upon the latter that which he took from the rich. Robin was given to traveling *in cog.* When he got into trouble a single blast from his bugle would summon his faithful supporters who were always loitering within hearing distance. His name and prowess are embalmed in "Ivanhoe" by Sir Walter Scott. The lamented and heroic General Gordon, who perished in the massacre of Kartoum, found distinct traces of conscience and integrity in Zebehr, the blood-thirsty scourge and slave driver of Central Africa. Tippu Tib, another human tiger of the same country and type, says the slave trade is certainly wrong, but if he were to quit the business worse men would take his place. Traditions of an occasional noble deed or sentiment may be found clinging to the biography of nearly all the great professional robbers of the world. Outraged nature seems to have made an effort to hide the nakedness of their crimes.

The history of piracy, armed robbery upon the seas, which are regarded as the common highways of nations, also brings to light some strange contradictions in human nature. Piracy was an organized industry in some parts of the world and ravaged commerce upon the high seas for more than two thousand years. It was esteemed an honorable calling in the days of Homer, at least 700 years B. C. The code of Solon regulated piracy which had grown to be inveterate among the Phoceans before this wise man

of Greece became a law giver. Hallam says that in the thirteenth and fourteenth centuries of the Christian era, a rich vessel was never secure from attack and that neither restitution nor punishment could be obtained from the governments. In fact many of the leading commercial spirits and navigators of those centuries were openly engaged in piratical enterprises. In the history of the United Netherlands, Motley gives a graphic account of piracy at the close of the sixteenth century on the English, French and Dutch coasts. This scourge did not abate until the feudal system was destroyed and respect for human rights restored; a striking illustration of that truth, ever uppermost in human history, that if a Government expects its subjects to be peaceful and law abiding it must first compel the wealthy and the powerful to refrain from depredating upon the weak and destitute. In no age of the world have the rights of either person or property been secure where the laws were so framed or administered as to permit idleness to plunder industry. Men will impatiently submit as long as there is hope of redress, but expiring hope always lights up her departure with the torch of revolution.

But marauders like Hood and Fra Diavolo are now rarely to be found among civilized nations. Public enlightenment and thorough police regulation have about banished the old fashioned lawless robber from the land and driven the pirate from the seas. The perils of these callings grew to be greater than the rewards and so they perished. But avarice, that fatal malady of human nature out of which these lawless pursuits sprang and which prompted men of high social and business qualities to equip whole flotillas for such service, has by no means disappeared. The pirates have abandoned the sea, it is true, and the race of lawless marauders degenerated for the most part into the sneak thief and the pick-pocket, yet the decadence of this branch

of depraved human endeavor has been apparent and superficial rather than substantial and real. We shall endeavor to vividly assemble in this chapter, a group of cognate historical events which are of the very highest possible importance to the student of existing human institutions. The laws of heredity do not stop with man's physical being. They extend to his mental and moral nature as well. More still, they pervade the whole framework of society, from the structure of Government to the minute details of business life. The philanthropist beholds the mangled and fallen condition of human affairs and is often perplexed at the perversity of some giant wrong which he finds tormenting the world as it holds it within its relentless grasp. He comprehends the evil, but its origin is a mystery hidden from his view and the tenacity with which its victims cling to the scourge, renders the whole situation intensely bewildering. These perplexities generally spring from a superficial understanding of the hereditary influences which enter into our social and political life. A proper view of the disordered condition of modern society can only be obtained by moving out upon long lines of investigation. We must discover the source of the stream which is poisoning the whole valley through which it runs. When the head-waters are carefully explored the stream which flows from them will cease to be mysterious, and we can then, if at all, guard against its death-dealing malaria. Let us endeavor to briefly point out the exact period when the modern world became inoculated with the virus which is now threatening the destruction of free government and even civilization itself.

About the close of the sixteenth century, piracy, always extremely hazardous, became so beset with peril that crews could not, except in rare instances, be found who were willing to stand the hazard of the die. Following the example

of the Hanseatic League of Germany, all the great nations engaged in ocean trade had united in driving these bloody rovers from the pathways of commerce. The buccaneering carried on by the French and English against the Spaniards in America in the latter half of the seventeenth century, was an exceptional episode and did not long remain to vex the commerce of the world. But when piracy received its fatal blow at the close of the sixteenth century, it was immediately succeeded at the opening of the seventeenth by a still greater scourge, the corporation— a pirate in fact. Piracy and brigandage were lawless, but the corporation sprang into existence bearing a commission from the State, its creator, which authorized it to rob legally both by sea and by land. Incorporated trade societies in Britain owe their origin to royal charters and Acts of Parliament, but they tormented Rome long before the fall of the Empire. The first great corporation for pecuniary profit— the parent trade monoply of modern history, was

THE ENGLISH EAST INDIA COMPANY,

chartered by Queen Elizabeth at the close of the sixteenth century. (1600.) Its accursed progeny have scourged the world for three centuries. The offspring of this monstrous progenitor extend to all climes and control to-day the machinery of every civilized nation on earth.

For a considerable period prior to the opening of the seventeenth century, the Dutch, greatly to the discomfiture of London commercial interests, had almost the exclusive control of the East India trade. Finally in the year 1599, they advanced the price of pepper to about double the previous rating for that article. The merchants of London held a meeting at Founders Hall on September 22, with the Lord Mayor in the chair. This meeting resolved to form an association for trading directly with India. The leading

spirits of this enterprise doubtless carefully matured their plans after close consultation with Elizabeth and her ministers. This appears from the fact that an envoy was at once dispatched to apply to the Great Mughal for privileges for the English company. The objects had in view were doubtless territorial and commercial conquest, as the subsequent history of this enterprise abundantly proves. History also establishes the melancholy fact that neither the Crown nor the incorporators were particular as to the means to be made use of to accomplish these ends. On the 31st of December, 1600, the company was incorporated by the Queen's royal charter under the title of "The Governor and Company of Merchants of London trading to the East Indies." There were one hundred and twenty-five share-holders with a capital of £70,000. Twelve years later on the capital was increased to £400,000. For thirty-five years, this powerful corporation, enjoying the royal favor and backed by the royal navy, had undisputed control, free of all interference by English rivals. Finally the "Assada Merchants," an independent company doing business in Madagascar and which had grown to be powerful, began to give them trouble. After a protracted struggle the Madagascar enterprise pooled its interests with the East India Company. In 1655, Cromwell chartered the "Company of Merchant Adventurers" to trade with India, but it united with the original company two years later. Cromwell, who was a great hater of monopolies, was endeavoring to restore competition and thus protect the people of the Commonwealth from the extortion of the old Elizabethan octopus. But the leading spirits in the new enterprise simply wanted to be admitted to the ground floor in the old company and secured their charter solely for that purpose. After the absorption of this rival company no competition of consequence was encountered for

a period of forty-one years. This long lapse of the unobstructed exercise of the great privileges of the company led to the accumulation of immense wealth for the stockholders. Near the close of this period of repose there arose in British public life a very brilliant and versatile character by the name of Charles Montague. He entered Parliament from Malden, was possessed of brilliant oratory, extraordinary logical powers and great financial ability. He rapidly rose to eminence, became one of the Commissioners of the Treasury, was called to the Privy Council, made Chancellor of the Exchequer under William and Mary, and finally entered the House of Lords with the title of Lord Halifax.

Through the influence of Montague while a member of the Commons 1698, Parliament incorporated a new company to be known as the "General Society Trading to the East Indias," with a capital of two millions sterling. It seems from contemporaneous history that the new charter was secured by a majority of ten votes on account of the absence of so many of the friends of the old company to witness a fight between a tiger and a kennel of dogs. But the two companies soon amalgamated through the intercession of Godolphin, First Lord of the Treasury. At the same time the amalgamated company advanced a loan to the royal treasury £3,190,000 at three per cent, in consideration of the exclusive privilege to trade to all places between the Cape of Good Hope and the Straits of Magellan. Montague was triumphant and the amalgamation of his new company with the old, destroyed the last great rival to the famous East India Company. We shall now lose sight of Montague for a little while, but he will appear again in a new role further along in this chapter.

From 1600 to 1612 the company made twelve voyages. With the exception of the fourth, they were immensely

profitable—rarely ever falling below 100 per cent. The price of pepper was lost sight of and the people of India and of England were in turn equally despoiled.

The history of this company is one of unparalleled cruelty, pillage and conquest. It equipped fleets, patrolled the seas with the British navy, made war, conquered provinces, subdued islands and finally established firmly the dominion of Great Britain over the helpless people and territory of India. To protect the properties and privileges of the East India Company Britain has waged war by land and by sea and shed the blood and spent the treasure of her people. Finally, in 1689, the company concluded to consolidate their position on the basis of territorial sovereignty, in order to acquire the status of an independent power as against the native authorities in East India. This was a cruel master stroke. It already enjoyed the protection and sanction of the home government. This new move gave them the protection of another at the extreme limits of their voyages in the far off East. The commerce of the world was now at their feet. The cupidity of all the surrounding nations was wrought up to the highest pitch. France, Denmark, Austria, Sweden, each chartered companies to trade to the East Indias. Enterprising and unscrupulous men throughout the United Kingdom busied themselves in concocting schemes similar in character, great and small. Both sea and land were ransacked to find foothold for corporate adventure. A number of private traders, not being able to secure an interest in the East India Company, fitted out expeditions of their own. James I. licensed Sir Edward Michelborne to trade with China, Japan and Corea. He openly plundered the Indian archipellago and carried home with him heavy booty which he secured by the boldest piratical methods. The rage for organizing corporations—joint stock companies as they

were generally called—became epidemic and spread far and wide. They extended to the trading in wine, coal, salt, starch, dressed meats, beavers, belting, bonelace, leather, pins and indeed to nearly all of the necessaries of life. In a speech in the long Parliament, Sir John Culpepper said of them: "They are a nest of wasps—a swarm of vermin which have overcrept the land. Like the frogs of Egypt, they have gotten possession of our dwellings, and we have scarce a room free from them. They sup at our cup; they dip in our dish; they sit by our fire. We find them in the dye-fat, washbowl and powder tub. They share with the butler in his box. They will not bait us a pin. We may not buy our clothes without their brokage. These are leeches that have sucked the Commonwealth so hard that it is almost hectical." Patterson's Isthmus of Darien hazard, organized in Scotland, was an outgrowth of the general fever and thirst for monopoly at this time. John Law's Mississippi scheme chartered in the early part of the seventeenth century by the Duke of Orleans, then Regent of France, and which granted to Law the control of commerce and the sovereign power over a great part of North America, was fashioned after the East India model.

A widespread hallucination for corporate adventure and monopolistic plunder pervaded all Europe at this period. The imagination and avarice of all who were speculatively inclined were fed by the booty brought home by the annual voyages of the East India Company, and this feeling was inflamed by the connivance and patronage of the Crown. In 1719, a Statute was enacted called the "Bubble Act," to suppress all unincorporated companies. The corporation had become all in all. This Statute was repealed in 1826. In the year 1670, Charles II. granted a charter to Prince Rupert, and seventeen other noblemen and gentlemen, incorporating them as the "Governor and Company of

Adventurers of England Trading into Hudson's Bay." This was the beginning of the celebrated enterprise known as the

HUDSON BAY COMPANY.

The charter secured to them "the sole trade, and commerce of all those seas, straits, bays, rivers, lakes, creeks, and sounds in whatever latitude they shall be, that lie within the entrance of the straits commonly called Hudson's Straits, together with all the lands and territories upon the country's coasts and confines of the seas, bays, etc., aforesaid." They were also given complete lordship of the entire legislative, executive and judicial power within these vague limits, and they were also granted the right to control the entire commerce to and from this vast area. The company constructed forts, founded colonies and organized local governments. France sent rival traders into the same territory. After a long struggle the two sets of adventurers amalgamated, following the example of the rival East India Companies. This company amassed immense fortunes, incited Indian wars, murdered the Indians and corrupted them with intoxicating liquors. The company is still in existence and wields immense power within the British possessions just North of us. Its triumphs stretching through more than two hundred years strikingly illustrate the astonishing vitality of corporations and the vast advantage which they possess over ordinary mortals in all classes of transactions. The career of these two great companies—the East India and the Hudson's Bay Companies—portray by deep lines of cruel etching the diabolic character and capabilities of the modern corporation,—of that type and class of artificial beings created by the State and endowed with greed unrestrained by the feelings of pity. They seem to gather in all the bad

elements in fallen human nature and to utterly exclude every redeeming emotion of the soul. The brigand and the pirate are human and pass from the cradle to manhood through the evolutions of Child life. Traces of the Divine and of a mother's influence remain with them to the last. But the corporation has no mother. It springs into being without heart, without emotion, with a full set of teeth, panting with the passion for plunder and directed by mature judgment from the hour of its creation to the end of its self-appointed career. How can flesh and blood cope with such an antagonist? The East India Company was brought into being, granted lawful immortality by the rescript of Queen Elizabeth who died three years thereafter. She was succeeded by James I., son of Mary Stuart whom Elizabeth had cruelly beheaded. Succeeding James came Charles I., who in turn lost his head, as his grandmother Mary had before him. And so through all the ensuing centuries fraught with war and carnage—through the rise and fall of dynasties, kingdoms, powers and potentates, this company lived on, waxed powerful, rose serene above death and the decay of empires, and finally laid its powerful and polluted hand upon the nations and people whom it had plundered and crushed them with its grasp of iron.

The next great step towards the enslavement and degradation of modern civilization through the agency of corporations, was taken in the year 1694, when Charles Montague, whose name has already been mentioned in this chapter, after consultation with King William and his ministers, introduced the bill to incorporate

THE BANK OF ENGLAND.

This bill became a law in the month of May, 1694. The following July, the charter was issued to the society styled "The Governor and Company of the Bank of England."

It was granted in consideration of a loan £1,200,000 to the Government. The charter was to expire at the end of eleven years upon the payment of the loan with accrued interest. The Government agreed to pay eight per cent. interest on the loan and £4,000 per annum as the expense of management—in all £100,000 per year. This loan has never been paid. The charter has been eleven times renewed, each in consideration of a fresh loan to the royal treasury, and in fact the corporation may be regarded as existing in perpetuity. It has grown to be a part, and indeed a very important part of the Government itself. In truth, if the bank were destroyed the Government would have to be reconstructed. It has grown to be the most powerful moneyed institution on the globe. It has shaped the financial institutions of all modern civilized nations and dictates the fiscal policy of christendom. By their decrees in "general court," the Governor and directors of this institution can lay toll upon every nation on earth which is without an independent system of domestic finance. The ravages of piracy in its palmiest days were mere passing trifles—harmless eruptions upon the surface of national life—compared with the scourge of general spoliation, bankruptcy and business death which this Goliath among fiscal institutions can inflict and repeatedly has inflicted upon the commerce of the world. When the financial institutions of neighboring nations are in harmony with the British system, the Bank of England might be considered the heart. If its pulsations are regular and normal life and activity exist everywhere. But if the heart stand still, paralysis and death are liable to ensue to the utmost extremities of business life. This bank controls the life blood of civilization, and by its decrees it can speed the vital fluid to the farthest extremities of trade. It can look on the scene until the vivification which it has caused has filled the

earth with gladness and then, at the whim of its directors, it can change its discounts and ordain business confusion, and even bankruptcy, from the rivers to the ends of the earth. When men of energy and industry throughout the kingdom fashion new enterprises and, prometheus like, call for fire to warm and to give them life, this modern Jupiter can scourge them with evils and decree that the world shall be bound in punishment and the vultures be permitted to gnaw unrestrained at its vitals. This bank was the complement of the East India and Hudson's Bay Companies, and much of its original capital came from the increment of those enterprises. It reinforced both of these adventures and furnished them with the facilities for conquest and the sinews of war. The reader will observe the suggestive similiarity in the denomination of the three companies: "The Governor and Company," etc., being used in each instance.

Montague had charge of the bill to incorporate this bank while it was pending in Parliament, but the real authorship of the measure is due to one William Patterson, an adventurous but talented Scotchman, in whom were blended some strange contradictions of character. This man fled from Scotland on account of religious persecutions when but seventeen years of age. He passed through England on foot with a peddlar's pack, located at Bristol for a short period and then sailed for America. His sojourn was mostly spent however, in the Bahamas, where his occupation alternated between imparting spiritual advice to British settlers and buccaneering—between preaching and piracy. Patterson was the author of the Montague Bill. Upon the incorporation of the bank he became one of its original directors for a short time, while Montague was made First Lord of the Treasury. Patterson held his position but a single year. Montague was superceded after a

brief period, was accused of peculation in small exchequer bills, was twice impeached and in each instance acquitted, probably through the influence of accomplices in high places. The name of Charles Montague will be forever associated with three of the great commercial and political factors of modern times—the East India Company, which has spawned its voracious progeny over all christendom; the Bank of England, which was its off-shoot and complement, and the British national debt upon which the bank is founded and which now exists in perpetuity to curse mankind. The bank and the debt were contemporaneous in origin; and the Sovereign power of the Kingdom of Great Britain to issue its own money and to control the volume thereof, was parted with in consideration of the trifling loan heretofore mentioned. The bank attends to all the fiscal business of the Government. Says Adam Smith: "She acts not only as an ordinary bank, but as a great engine of state. She receives and pays the greater part of the annuities which are due to the creditors of the public, she circulates exchequer bills, and she advances to the Government the annual amount of the land and malt taxes, which are frequently not paid till some years thereafter."

The bankers are largely represented on both sides of the House of Commons, just as they are on both sides of the House of Representatives in this country. Each guards the welfare of the bank as he would the apple of his eye.

For a period of one hundred and eighteen years, from 1708 to 1826, this institution enjoyed a complete monopoly. The act of 1708 provided that it should not be lawful for any body politic, erected or to be erected, other than the said "Governor and Company of the Bank of England, or of any other persons whatsoever, united or to be united in covenants of partnership, exceeding the number of six

persons, in that part of Great Britain called England, to borrow, owe, or take up any sum or sums of money on their bills or notes payable on demand or in any less time than six months from the borrowing thereof." Finally Parliament, in 1826, permitted country banks of issue to be established anywhere beyond sixty-five miles of London, but the issuing of notes of less than five pounds in England and Wales was at the same time prohibited. Attempt was made to extend this restriction to Scotland and Ireland, but Sir Walter Scott, and his coadjutors, aroused sufficient public sentiment to defeat it. The power of the great bank renders the country banks merely tributary to its own business. Still, greater privileges for country banking were granted by the act of 1858 and later acts; but the overshadowing influence of the Bank of England still abides and waxes stronger from year to year. The capital of the bank amounts to £14,553,000. By the act of 1844, it is authorized to issue not to exceed £15,000,000 in notes in the denomination of five pounds and upwards. Since the renewal of the charter in 1833, the notes of the bank have been a legal tender. They are redeemable in gold on demand, and notes in excess of £15,000,000 cannot be issued except in exchange for their face vlaue in gold coin or bullion deposited with the bank. This makes the British people the slaves of chance and the servants of the owners of bullion and so restricts the circulating medium as to remove general prosperity among the laboring millions beyond the limits of hope.

The volume of currency is entirely dependent upon the influx and efflux of bullion. When coin becomes scarce common sense would dictate that some substitute should be issued to take its place. But the practice is just the reverse. When the coin takes its flight the paper must be retired also. This makes the very few masters of the empire and

they stand with their feet upon the neck of prostrate labor unmoved by the feelings of pity or remorse. Since the bank was attacked by a mob during the riots of June, 1780, a considerable military force has occupied the bank every night in order to guard against any emergency which may occur.

There are a number of branches of the bank in various parts of the kingdom. Neither the parent nor the branch banks pay interest on deposits. For a period of more than eighty years the dividends on the bank stock have but once or twice fallen below eight per cent and will average about that figure; and this is a country where money is only worth three per cent and where the average increase in the wealth is doubtless below that figure. The stock of the bank and all profits arising from its transactions are "exempt from any rates, taxes, assessments, or imposition whatsoever."

The Bank of Scotland organized and chartered by authority of the Scotch Parliament in 1695, was modeled after the Bank of England. Its career has been much more restricted but vastly more humane than that of its English neighbor.

We have thus noted somewhat in detail the rise and growth of the three gigantic corporations of Great Britain, The East India Company, The Hudson's Bay Company and the Bank of England, and have noted cursorily the swarm of smaller corporate parasites which immediately sprang from them and have been voraciously feeding upon the life of British industry since the close of the sixteenth century. The whole brood rose upon the ruins of piracy and the rapacious spirit has been transmitted to the entire progeny and has ever been uppermost from the beginning until now. The pirate and the brigand carried no credentials except their blood-stained weapons and quailed only

before superior force. The corporation plunders under the authority of a charter and the protection of the State. It occupies the whole field formerly held by the brigand and the pirate, is their lineal descendant and unites within itself the characteristics of both ancestors. In our chapters on war and peace finances we shall show the extraordinary growth of corporate power and influence under Sir Robert Peel's Act of 1819 to resume specie payments in 1823. We now invite the reader to an examination of the growth of

THE SCOURGE WITHIN THE UNITED STATES.

The framers of our Constitution and those who influenced early legislation in this country, had been educated under the influence of British institutions. They had long been familiar with the accepted dogma that the power to create corporations was a prerogative of the crown. The transition was easy to that cognate fiction, that the power to create incorporated trade associations was a prerogative inherent in Government, without a regard to whether it was a monarchy or a republic. An error more fatal and unaccountable never enslaved the minds of a free people. It is as unphilosophic as it is vicious in consequences.

An incorporated trade association does not result from the operation of any law of nature nor from the exercise of any of the natural powers belonging to humanity. No number of men, in the absence of statutory authority, can confer upon themselves the powers and immunities of a corporation. They may associate in business as partners, but the death of one of the members, in the natural order of things, works a dissolution of the association. Each member of the firm is personally responsible, where company property cannot be found, for all the debts of the copartnership. If then it be true that a corporation does not spring from any law of nature and cannot, in the absence

of statute, be brought into being by agreement among individuals, whence is the boasted prerogative of the Crown or of the legislature to create a corporation derived? How can man confer upon the legislature a power, not even the germ of which exists within himself? By nature he has the right to trade, to associate and to organize Civil government; but he can never, in business affairs, span the chasm of death, escape individual responsibility, nor confer upon the legislature a power which he does not himself possess. The corporation then, exists beyond the domain of nature, is in conflict with the limitations of human life, and is a remnant of usurpation and kingcraft which lingers in modern society to make war upon the individual and to eat up his substance. It exists by bold, daring usurpation and not of right.

The Government of the United States is one of enumerated powers. The Constitution does not even vaguely hint at the power of Congress to incorporate a trade association, or to grant a charter for such purpose. Driven from the field of expressed power, how can the authority of Congress be implied, when the individuals from whom the Government was derived have no such power to surrender and make no pretense even of doing so? The Declaration of Independence declares that governments derive their "just powers" from the consent of the governed. No other power could, of course, be so derived. But Congress, following the example of the British crown, entered upon the exercise of this usurpation at its first session under the Constitution. This shows how deeply the despotic current had eroded its way into every stratum of Anglo-Saxon life. It proves that even the grand men of the Revolution were not on their guard against some of the most dangerous foes of Free Government. They threw off the form of tyranny, declared for a republic and then allowed institutions which

were of the very essence of despotism and which gave life and vigor to tyranny to remain. They declared "that all men were created equal" and, strange to say, proceeded at the very first session of Congress to pass laws to create inequalities and to give certain associations of individuals advantages with which they were never, either collectively or individually, endowed by the Creator. Such are some of the contradictions of even enlightened statesmanship. The bill for the incorporation of

THE BANK OF THE UNITED STATES

was passed February 25, 1791, by the first Congress which assembled under the Constitution. The charter provided that it should run for twenty years, during which period no other bank should be chartered by Congress. The scheme originated with Alexander Hamilton, then Secretary of the Treasury, and was copied from the Act of Parliament incorporating the Bank of England which had been in operation for nearly one hundred years. The capital of this bank was $10,000,000. The Government held one-fifth of the stock and elected five of the directors. The English model was copied in all essential particulars, even to the power conferred to establish branch banks, wherever in the judgment of the president and directors of the bank, such branches might be deemed necessary. The charter expired in 1811, during Mr. Madison's administration. The original charter had been opposed by Mr. Jefferson and its renewal was also opposed by him and the party in power. Another charter for twenty years was, however, secured in 1818, during Mr. Madison's second term. It was granted upon the payment of $1,500,000 to the Government as a bonus. A capital of $35,000,000 was permitted by this charter. This bank had a turbulent career under its two charters which covered a period of forty years. It

was finally overthrown by President Jackson's veto during his first term and expired in 1836, during his second term, by limitation of charter. The veto of the bill to re-charter the bank was the most absorbing issue in the campaign of 1832, and resulted in a signal victory for the anti-bank men and in the triumphant re-election of General Jackson to the Presidency. Thomas H. Benton remarked to a friend after Jackson had been vindicated in the campaign of 1832, that "Jackson had not slain the United States Bank. The bank was a wounded tigress. She had fled to the jungles but would return again bringing her whelps with her."

It is gratifying to know that all attempts to establish this bank met with the unconquerable opposition of both Jefferson and Jackson.

The question of the constitutionality of the act to charter the bank came before the Supreme Court of the United States from the State of Maryland and was decided in 1819. *McCulloch v. The State of Maryland*, 4th Wheaton, 316. The President and Directors of the parent bank at Philadelphia, had, in pursuance of the charter, established a branch bank of issue, discount and deposit in the city of Baltimore. An act of the Legislature of Maryland, approved February 11, 1818, imposed a tax "on all banks or branches thereof, in the State of Maryland, not chartered by the Legislature." The act required the bank to issue notes of certain denominations, and only upon stamped paper to be prepared and furnished by the State. The tax imposed by the law was to be paid by the purchase and use of this stamped paper. McCulloch, who was the cashier of the branch bank, refused to comply with the Maryland statute, claiming that the act was repugnant to the Constitution and in conflict with the act of Congress chartering the bank.

The State of Maryland, by its counsel assumed the absurd position that the power to create a corporation is one pertaining to Sovereignty and was not conferred upon Congress but remained with the States. That the Government of the United States is one of enumerated and limited powers which were delegated by the states which alone are truly sovereign. Of course, nothing but defeat could await the State upon such an unskillful and ill-advised issue as this. The contention was as to where the power was lodged and not as to its existence. Hence the vital and all controlling question was not presented at all.

If counsel had taken the position that the power to create a corporation existed neither in the Constitution nor in the nature of Sovereignty; that all things which are within the scope of human authority could be accomplished by agreement; but that all the people in the State combined could not by agreement create a corporation, and that this being so, they could not by implication empower the legislature to create it; that it existed only by bold and unmixed usurpation and was in deadly conflict with Republican institutions, their position would have been unassailable. They could have urged with irresistable logic the doctrine that Government derives its just powers, both enumerated and implied, from the consent of the governed; that the limitations of human authority had interposed to prevent the people from delegating to the Government an express power which they did not themselves possess and that no power could possibly be implied for that reason. Had they planted themselves squarely upon this ground, no Court could have disregarded the argument. It were impossible that an enlightened judiciary should go beyond the limitations of human nature in search for implied authority to bolster up an act of questionable legislation. The opinion in this case was pronounced by Chief Justice

Marshall at the February term 1819, the same term at which he promulgated the opinion in the celebrated Dartmouth College case referred to in our chapter on the Supreme Court. In the Dartmouth College case the doctrine of the immutability of charters and of vested rights arising under them was established; while in the McCulloch case the power of Congress to grant charters and create corporations, as against any power remaining within the states, was upheld. The year 1819 constitutes an epoch in the history of this country.

Strangely enough the opinion in the McCulloch case has been acquiesced in as establishing the doctrine that Congress has constitutional authority to grant charters and create corporations for pecuniary profit. It simply decided that the States were not supreme and sovereign as against the General government, or rather that the General government is supreme within its sphere as against the States.

Since the rendition of this decision Congress has passed a great variety of incorporation laws; for example, the National Banking Acts, the Acts Incorporating the Pacific Railroads, the Act Incorporating Savings Banks in the District of Columbia, the Act to Incorporate the Nicaraugua Canal Company, and many others. But the influence of these two great decisions was far reaching and prodigious. The power to create corporations being firmly established, as it was supposed, the great commercial advantages to be derived through their instrumentality gradually allured enterprising men to form incorporated trade associations in various parts of the country. Finally the various State Legislatures, municipalities and State Constitutional conventions plunged headlong into the roaring flood. Soon the whole country was submerged and swept beneath the resistless current. For a full quarter of a century the individual, as such, has been lost sight of in a mad rush for

corporate adventure. The corporation and the wealth which it brings have become the chief concern of society and the State. The man and the family have been driven to the wall, the weak trampled under foot and the choicest opportunities of the century showered upon chartered combinations. Wealth, already possessing great advantages, is not satisfied, and incorporates in order that it may have still greater power. Every class of business, every calling, everything except poverty, operates under a charter. The poor must defend themselves as best they can, single-handed and alone. Competition and personal responsibility, except with the remaining multitude of the poor, are literally and absolutely annihilated by these monstrous combinations. They exist in every State in the Union, by thousands. They control the business of every city, thrust their paid lobbyists within the corridors and onto the floor of every legislative assembly, and importune every city council for exemptions, concession and privilege.

The picture which opens to our view as we lift the curtain upon the scene of corporate rapacity, is so vast and so terrible as to cause us to shrink back aghast. One scarcely knows where to begin the story, and having once begun, it seems like mis-prison of a felony to withhold a single fact from an outraged public. But the field is illimitable and the desolation indescribable. We can only pause in the presence of the picture for a few moments—barely long enough to call the attention of the reader to the outlines of the situation.

We have already, in our chapter on Rome and the United States, spoken of the Anthracite Coal Association controlled by the great railroad and mine owners of Pennsylvania. We wish here to point out some of its acts of spoliation and piracy.

The annual consumption of anthracite is now not far from 35,000,000 tons, of which the West consumes about 8,000,000 tons. In July, 1883, the combination put the miners upon half work for three months in order to limit the production and increase the price. This is their settled method of business and is repeated from year to year. In 1871, the legislature of Pennsylvania entered upon an investigation of the combine. The testimony showed that a number of private companies desired to terminate a strike then pending among the miners in the locality, by accepting the terms of the working men. But the six great companies, controlling all the railroads leading to and from the field of this industry, immediately increased their rates to three times the previous figures and thus made it impossible for the small companies to operate their mines. The price of coal immediately advanced to $12.00 per ton. The small owners were bankrupted while the miners and their families were turned out to starve and to die.

The New York legislature investigated the same combination in 1878. The investigation was caused by the sudden rise in the price of coal to double what it had formerly brought. The legislature found that a number of private mine owners were willing to supply the market at prices much below those asked by the combine and "would do so if they could get transportation from the mines to the market." This was denied them by the six great companies. The committee found that "the combination can limit the supply and thereby create such demand and prices as they may deem advisable." They also found that the companies had advanced the price of coal seventy-five cents and one dollar per ton. An advance of only fifty cents per ton, would, on 35,000,000 tons, amount to $17,500,000 in a single year! Can the annals of piracy on all the seas, for any period of ten years in its history, equal the rapacity of this

single transaction? This crime is repeated from year to year, while 64,000,000 people stand helpless and aghast at the audacious spectacle!

In this manner the vast fortunes of the six companies and their share-holders have been accumulated. Their wealth is the result of the murder of hard working men, the starvation of innocent and helpless women and children and the open and periodic plunder of the inhabitants of a continent.

The Congressional investigation in 1887–8, concerning the strike at the Redding Collieries, found that the Operators intentionally provoked the miners to violence in order to give opportunity to shoot the "rioters."

Take the report of the Ohio Legislative Committee concerning the horrors of the Hocking Valley strike in 1885, the assassinations by the Pinkertons, and the heart-rending appeals of women and children for mercy, shelter and bread. Look again at the gaunt starvation at Braidwood. A whole city full of industrious people groaned in the agonies of want—babes dying of hunger in their mothers' arms, and mothers and offspring perishing together on pallets of straw without food and without mercy. Let the reader take a glance at the horrors of Punxsatawney, of the suffering at Brazil, Ind., and at the starvation, carnage and heartless evictions taking place as we write in the Coke regions of Pennsylvania—each and every instance being the result of corporate rapacity, and then tell us candidly what he thinks of the relative cruelty of the two systems of piracy—the old-fashioned sea-roving, with its black flags and bloody decks, and the modern amphibious method resulting from the union of the pirate and the brigand, represented by the corporation with its organized systems of pillage, reinforced by the agency of hunger and the Pinkerton thugs.

Take one other instance from among the coal fields, Spring Valley, Illinois. This mining town was started in 1885, under the auspices of three gigantic corporations and a newly incorporated town site company, composed of the principal men in the three corporations, namely: the Chicago & North-western Railroad, the Spring Valley Coal Company, the Spring Valley Town Site Company and the Northwest Fuel Company, of St. Paul. It is estimated that the capitalists associated in these enterprises represent at least $500,000,000. Great inducements had been held out to the people and particularly to miners, to locate in the town and invest their small savings in homes and town property. Hundreds, and even thousands of men rushed to the new field from Streator, La Salle, Braidwood, Peru, and in fact from almost every mining locality in the Northwest, and went to work. The results were not as fortunate as had been anticipated, but upon the whole were re-assuring and promised well for the future. The mining population soon became large and the community was prospering and being rapidly built up. In December, 1888, without a word of warning, with no differences of opinion or known conflict of interest existing between the mine owners and the men, seven hundred miners were suddenly told to take away their tools at the close of the day and not return, as that part of the mine was to be closed. No explanation whatever was given. And this in the face of winter! But a considerable force of men in other parts of the mine were allowed to remain and they aided, as best they could, their unfortunate brethren and their families.

In April following, the balance of the force was dismissed in the same unceremonious manner. Previous to this lock-out on the part of these millionaires, they had been paying out monthly to the miners of this district

about $250,000, and the miners had been investing their small savings in the purchase of homes under the promise of steady employment. The committee appointed by the Governor to investigate the facts in this dreadful case, reported in September, that the loss to the miners in consequence of the lock-out amounted at that time to $800,000. Every effort was made by the outside world to relieve the distress, but the corporations were relentless. Sickness and death ensued. The committee already named, say in their report: "There have been no actual cases of starvation as the miners freely divide with each other. * * * There has been suffering in sickness for want of medicines and proper medical attendance. * * * They do not parade their suffering; they conceal it rather, especially from their employers, knowing that the operators rely upon this suffering to bring them sooner or later to terms."

On August 11, 1889, a car load of provisions was sent down from the good people of Peoria. A press account of its arrival stated that "One thousand men and women tramped down from Spring Valley to the Rock Island depot at midnight, and waited for hours for the arrival of the car. The crowd went wild with delight when the car arrived. The *Spring Valley Sentinel*, of August 31, declared "That the wives and children of miners were dying of starvation right in the garden of the world." A correspondent of the *New York World*, sent to the locality especially to investigate the situation at Spring Valley, reported that "From a cursory examination, it is a low estimate to say that seven out of every ten families are sick—seriously so. Malarial fevers, diphtheria, cholera-morbus, ague and pneumonia form the bulk of the ailments. * * * * Scores of men, women and children have found a last resting place in the cemetery since the lock-out." This account further says that 1,200 heads of families had been out of

employment from May to August, and that half of these families had been without food, except that which had been given them by charity. But why pursue further the sickening story? Henry D. Lloyd, in his work entitled "A Strike of Millionaires Against the Miners," has portrayed the infamy in all of its tragic details. This book is the Iliad of the battle now raging between man and the corporation in America. Works of far less merit have convulsed empires and revolutionized society. It is an alarm bell at midnight to startle those who slumber and should be read by the million.

Let us now investigate another vast field, every square mile of which is tormented and trodden down by this ever present and exasperating scourge.

THE CATTLE AND DRESSED BEEF INDUSTRY.

In pursuing this branch of the subject the reader will catch a glimpse of stupendous scale upon which our modern buccaneers loot the people and carry on with impunity their predaceous calling. As we advance from one field of rapacity to another and are made acquainted with the fact that the whole continent is literally ravaged by these vikings; that no community, however remote, no calling how ever humble, is free from their havoc, we trust the reader may vividly realize the extreme peril to our civilization and will listen with becoming gravity to appeals for immediate reform.

As is well known to all farmers and stock-raisers, there has been a depressed condition of the cattle industry in all parts of the country for many years. The decline in prices between 1884 and 1889 was so marked as to spread consternation and bankruptcy throughout this important vocation. The shrinkage during the period named fell but little short of two cents per pound on all grades of beef

cattle. Ruin and poverty followed. The cause of the decline was well understood and the indignation felt within industrial circles found expression in various ways, particularly in pointed and well directed resolutions adopted by the Alliance and other organizations among farmers. It became evident that certain localities and business centers were being discriminated against, and this aroused another class of influential people. Investigation was demanded. Finally, on the 16th day of May, 1888, the Senate of the United States, by resolution, directed the president of the Senate to appoint a select committee of five on the Transportation and Sale of Meat Products.

The resolution, among other things, directed the committee to inquire "whether there exists or has existed any combination of any kind, either on the part of the trunk line association, or the Central Traffic Association, or other agencies of transportation, or on the part of those engaged in buying and shipping beef products, by reason of which the prices of beef and beef cattle have been so controlled or affected as to diminish the price paid the producer without lessening the cost of meat to the consumer."

The committee, consisting of Hon. G. G. Vest, of Missouri, chairman; Hon. P. B. Plumb, of Kansas, Hon. S. M. Cullom, of Illinois, Hon. C. F. Manderson, of Nebraska, and Hon. Richard Coke, of Texas, commenced their work at St. Louis, November 20, 1888. They visited various shipping and business centers throughout the country, took testimony extensively, and afforded opportunity for the various interests to be heard through agents, attorneys and otherwise. The committee made its report to the Senate through Mr. Vest, May 1, 1890, which was printed, and is known as Senate Report No. 829, Fifty-first Congress. It is a startling document in all its details.

The committee found that "the method of selling beef cattle had been entirely revolutionized in the past ten years. In place of the old system when shippers and butchers went from one cattle-raiser to another, competing in the purchase of cattle, there is now a concentration in the market at a few points, Chicago, Kansas City, Omaha, St. Louis, Cincinnati and Pittsburgh, with the controlling market at the first named city. The cattle producer no longer has a market at his door, but must take or ship his cattle to the market in one of these cities."

These startling statements call for serious consideration. The consumption of beef is common to our whole population, scattered throughout all the states and territories. The cattle industry, though greater in some parts of the country than in others, is nevertheless, commom everywhere. There is no natural reason why the market for beef cattle should be confined exclusively to the six cities above named, nor why the dealers of Chicago should fix the prices to be paid by the buyers at the other localities. It sounds like the rankest fiction to be told that the meat venders in a thousand cities, towns and villages dotting every nook and corner of forty-four states and four territories, exclusive of Alaska, are not permitted to purchase food cattle from neighboring farmers and prepare them for consumption; that they must first ship their cattle to distant cities, unload them at designated stock-yards, sell them to confederated speculators who turn them over to another set of pals to be slaughtered, and that another party of freebooters then take charge of the carcasses and ship them back to the cities and villages near where the cattle were grown and where the finished product must at last be purchased at extortionate prices. It transcends the domain of fiction to be told that sixty-four millions of people are not permitted to furnish their tables or replenish their larders

unless they submit uncomplainingly to this high-handed outrage.

If such is the state of affairs the conclusion is irresistable, that we are a subjugated and plutocratic ridden people, and exist and hold our fortunes at the sufferance of our masters. And again, if we contemplate striking a blow for liberty, it is well to know who are the tyrants and we must also understand the instruments through which the oppressors have enslaved us. The investigations and report of the Senate committee do not leave us in doubt as to either.

The committee report that the revolution in the cattle industry is due to combinations between railroad corporations, the establishment of stock-yards owned by parties connected with the railroads upon whose lines these yards are located, and to the fact that a few men at Chicago, of enormous capital, who are engaged in the packing and dressed beef business, are, by reason of their understanding with the railroad magnates, enabled to dominate absolutely the price of beef cattle for the whole country. The committee found that in the year 1873, the three great trunk railroads, running between Chicago and New York, the Pennsylvania Central, New York Central and the Erie, entered into a combination with certain Chicago shippers known as "Eveners," to charge $115 for each car load of cattle shipped over their lines from Chicago to New York, and to allow the "Eveners" fifteen dollars on each car load of cattle so shipped. This practically destroyed the St. Louis market. Had a half dozen piratical crafts steamed up the Mississippi, cast anchor and proceeded to loot the city, they could not have inflicted half the damage that resulted to the business interests of St. Louis from this "Evener's" combine headed by the three great railroad corporations. It began in 1873 and continued for a little over five years. The fifteen dollar rebate was only allowed

the Chicago shippers and was denied to all others. The committee say:

"The 'Evener' combination terminated about 1878–9, and when we consider the fact that the three great roads composing it monopolized the entire cattle transportation from Chicago to New York, amounting to four million cattle between 1871 and 1879, and that the enormons sum paid by cattle shippers at the stock yards were added to freight charges, and the whole amount collected from the cattle interests, some idea may be formed of the profits divided by the parties engaged in the conspiracy. The inevitable effect of this combine, which gave a premium of fifteen dollars a car upon all cattle shipped from Chicago east, was to concentrate the marketing of all western cattle at Chicago."

The cattle receipts at the Union Stock Yards rose from 684,075 in 1872, to 1,083,068 in 1878:

About the time the "Evener" combination ceased, the dressed beef interests, which now controls the entire market of the country, rose to prominence and began its gigantic and unparalleled career of depredation.

In 1888 there were 584,533 head of cattle slaughtered at Chicago for canning purposes, and in 1889 two million head were slaughtered for the dressed beef trade. The report says: "This great business is practically in the hands of four establishments at Chicago: Armour & Co., Swift & Co., Nelson Morris & Co., and Hammond & Co. Of these Armour & Co. and Swift & Co. are the largest houses, their maximum capacity for slaughtering being 3,500 cattle, 3,000 sheep, and 12,000 hogs every ten hours. Besides the houses at Chicago there are branches of Armour & Co.'s establishment at Kansas City, Missouri, and Omaha, and of Swift & Co. at Kansas City and Omaha, and of Nelson Morris & Co. at Kansas City and St. Louis."

The control of the cattle market is completely within the grasp of these firms and they combine among themselves not to bid against each other and to crush out competition whenever and wherever it may arise and to further terrorize and boycott all who have the temerity to question their right to plunder the people. Mr. Leverett Leonard, of Saline county, Missouri, testified before the committee that he owned three or four hundred head of cattle which he had been feeding for a year, and that he had been warned by a faithful friend not to ship them in his own name as he was spotted in the market, and he states that he has no doubt about the correctness of his information.

When the committee visited Chicago they were unable to procure full and frank testimony from either the commission men at the Union Stock Yards, or from the employes of the packing and dressed beef houses. They stated to the committee in private that the "big four" had combined, but when put upon the stand, the committee say "they shuffled and prevaricated to such a degree as in many cases to create commiseration." The agents of the dressed beef houses evaded the service of process, and failed to appear even after being summoned. P. D. Armour, Nelson Morris, Louis F. Swift, and Frank E. Vogel and two of their agents, refused to obey the summons of the Senate committee. The first named gentleman did finally appear before the committee at Washingten, "out of respect" as he stated in his testimony.

The committee's stay and work in the city of Chicago was made very unpleasant. They state in their report that the business interests and the press of the city are in sympathy with and under the influence of these gigantic firms.

The Senate committee further state that "the overwhelming weight of testimony from witnesses of the highest character, and from all parts of the west, is to the effect

that the cattle owners going with their cattle to Chicago and Kansas City markets find no competition among buyers, and if they refuse to take the first bid are generally forced to take a lower one."

The conspiracy extends not alone to controlling the price of beef cattle, but also to controlling the price of dressed beef to consumers. Concerning the latter the committee find:

"*First.* It is admitted that they combined to fix the price of beef to the purchaser and consumer, so as to keep up the cost in their own interest. (P. D. Armour's testimony, p. 481.)

"*Second.* It is admitted that they have an agreement not to interfere with each other in certain markets and localities in the sale of their meat. (S. B. Armour's testimony, p. 364.)

"*Third.* It is proved beyond doubt that they acted together in supplying meat to the Soldiers' Home, at Hampton, Va., the National Hospital for the Insane and other public institutions at Washington, D. C., the bid for contracts being made by one, and the meats being then supplied by each of the dressed beef men alternately for stated periods. (Testimony of Dr. W. W. Godding, p. 499; C. R. Purvis, p. 50; G. N. Omohundro, p. 504; W. H. Hoover, p. 502.)

"*Fourth.* They combined in opening shops and under selling the butchers of cattle at Detroit and other places in Michigan, and at Pittsburgh, Pa., in order to force them to buy dressed meat. (Testimony of John Duff, p. 154; William Peters, p. 169.)

"*Fifth.* They combined in refusing to sell any meat to butchers at Washington, D. C., because the butchers had bid against them for contracts to supply with meats the Government institutions in the District of Columbia. (Testimony of W. H. Hoover, p. 502; testimony of J. N. Hoover, p. 505; testimony of Santus Auth, p. 508.)

"*Sixth.* They acted together at Chicago in refusing to come before the committee as witnesses, and in preventing their employes and agents from coming, it being an open

secret that they met together with their counsel and agreed to their action.

"With this overwhelming proof of a common interest and intent, we submit that it is difficult to believe that with the most apparent motive for such action the same parties, or their subordinates with their knowledge, do not avail themselves of the opportunity presented by the centralization of markets to combine for the purpose of lowering the prices of cattle.

"The declaration of Mr. P. D. Armour that he personally had no agreement with other buyers not to bid against each other is not conclusive, for he testifies himself that his agents acted as to business matters without his consent.

"In one instance, as shown by the testimony, the following telegram was sent from the office of Armour & Company, at Chicago:

DECEMBER 18, 1888.

H. P. LACEY, *Freeland, Pa.:*

Can not allow Schwabe to continue killing live cattle. If he will not stop, make other arrangements and make prices so as can get his trade. ARMOUR & COMPANY.

"Lacey, to whom this telegram was addressed, acted as the agent of Armour & Company at Freeland, and Schwabe was a butcher at that place. Mr. Schwabe appeared before the committee and testified that he was approached by Lacey with a proposition to act in partnership with Lacey in the sale of dressed beef at Freeland for the firm of Armour & Company; that he refused, and was then informed by Lacey that he would be broken up in business. Notwithstanding this threat, Schwabe continued to butcher, and made his purchases of cattle at Buffalo. He testified that from the time of his refusal to sell dressed beef as proposed by Lacey, he could not buy any meat from Armour & Company, and could not get any cars from the Erie Railroad to ship his cattle from Buffalo, but was compelled to ship on the Delaware & Lackawanna by a route not so direct. In other words, he was boycotted by the Erie Railroad and Armour & Company for his refusal to discontinue killing cattle.

"Mr. P. D. Armour frankly admitted that at Akron, Ohio, his firm established shops and sold dressed beef at

such prices as forced the local butchers to sell his dressed meat."

If this is not the boldest kind of wholesale piracy, will the reader kindly give it a name? It is both rapine and starvation combined. It disregards not only the fortunes but the lives of its victims. We venture to ask the reader what he thinks of the political status and economic situation which tolerates such things and renders them possible?

Since the committee took its testimony one of the firms, Hammond & Co., have sold to an English syndicate.

But the committee further report:

"Under the terms of the resolution creating the committee we were instructed to inquire as to the transportation of meat products, and we have endeavored to discharge that duty.

"No one factor has been more potent and active in effecting an entire revolution in the methods of marketing the meat supply of the United States than the railway transportation.

"We have alluded in a former part of this report to the Evener Combination between the great railroads running East from Chicago, and while that arrangement terminated some years ago, there are other and more powerful associations between railroad companies, now operative, which affect vitally the meat supply of the country.

"At the city of Chicago is the Central Traffic Association embracing nearly all the railroads west of Pittsburgh, and from Chicago to the Ohio and Mississippi Rivers, while the Trunk Line Association at New York has in its membership all the roads running east from Chicago. The object of forming these associations is to prevent cutting in rates as between the roads, and to control the entire traffic of the country in the interest of the railroad companies. Practically it is one combination, for the Trunk Line Association, by means of the connecting lines controlled by the great Eastern roads, the Pennsylvania, New York Central Erie, and Baltimore and Ohio, all of which belong to the

Trunk Line Association, dominates the Central Traffic Association.

"The enormous power wielded by the Trunk Line Association is almost incalculable. Every pound of freight and every head of cattle and hogs going either way across the continent must pay tribute to the roads comprising this vast combine. At its head is the president of the Pennsylvania Railroad, a corporation whose vice-president testified before the committee that his company controlled 7,000 miles of railway, and had on its pay-roll 80,000 employes. Consolidated in purpose, and under the management of able men whose lives are devoted to corporate interests, there can not be imagined an organization more potent than this combination.

"As a necessary result of the concentration at Chicago of the cattle trade by railroad combination, there was established at that place the Union Stock Yards, and similar yards at Buffalo between Chicago and New York.

"The Union Stock Yards Company has a capital stock of $4,400,000, owns 320 acres of ground, of which 200 acres are used for the yards and 120 occupied for railway tracks. The company has nearly 100 miles of railroad connecting with all the roads coming to Chicago, and employs in its yard nearly 2,000 men. The capacity of these yards is about 25,000 cattle, 120,000 hogs and 15,000 sheep daily.

"Some idea can be obtained of the profits secured by this enterprise when we reflect that the charges for feed, which must be bought exclusively from the company, are $1 per 100 pounds for prairie hay, $1.50 for tame hay, and $1 a bushel for corn. To this must be added the charge of 25 cents for each head of cattle entering the yards, 8 cents on every hog, and 5 cents on each sheep.

"For the year 1889 we find from the official report of the Union Stock Yards that there were yarded, exclusive of calves, 3,023,281 cattle, 5,998,526 hogs, and 1,832,469 sheep, making the amounts received by the company for yardage alone $1,327,325.

"As a practical illustration of the charges to which the shipper is subjected at these yards, we give the following copy of returns actually made to a Missouri farmer:

Nov. 4.	18 hogs, 4,390 pounds, $3.60 per 100....		$ 158.04
4.	49 hogs, 9,520 pounds, $3.70 per 100....		352.24
4.	1 cripple 10—1 dead.....		12.00
5.	20 hogs, 4,690 pounds, $3.50 per 100....		164.15
5.	1 pig.....		3.00
5.	54 hogs, 10,170 pounds, $3.85 per 100...		391.54
5.	33 hogs, 4,650 pounds, $3.85 per 100....		217.53
6.	29 hogs, 7,820 pounds, $3.55 per 100....		277.61
6.	2 pigs, 230 pounds.....		6.90
6.	1 pig.....		3.60
	Total.....		$ 1,586.61
Charges, railroad.....		$ 219.80	
Yardage.....		16.48	
Corn.....		11.20	
Commission.....		18.00	
			265.48
	Net proceeds.....		$ 1,321.13

"As specimens of the feed bills we give the following which were paid at Chicago by the same person:

October 30, 3 cattle; November 3, 15 cattle; November 1, 1 cow. Charges, hay, $47.55.

Another—

October 29, 4 cattle; November 3, 14 cattle. Charges, hay, $43.95.
February 3, 157 hogs. Charges, corn, $28.

"This evidence is valuable for two purposes. It shows the exorbitant and rapacious charges inflicted upon cattle owners and shippers, and it furnishes an explanation of the motives which actuate the men who own the railroads in their action as to the transportation of cattle and dressed beef.

"The secretary of the Union Stock Yards testified at Chicago that when the company was established the stock was subscribed by the railroads, but when asked to show his stock books he declined, after consultation with the company's attorneys, and persisted in this refusal at Washington City.

"For the purposes of our investigation it was not considered necessary to ascertain in whose names the stock now stands, for we were satisfied that whatever the ownership it would not appear in the names of the railroad presidents, directors and stock-holders, who are the real owners.

"The refusal of the secretary, under direction of his employers, to make public the list of stockholders must have been because of the fact that the same men own the stock yards and the railroads running to them, and they do not propose to submit their books to scrutiny, because they dread the truth.

MONOPOLY OF EXPORT TRANSPORTATION.

"The testimony of witnesses connected with the lines of steamers running from New York to foreign ports disclosed the fact that it is the custom for certain shippers to engage for months in advance all the carrying capacity of steamers transporting live cattle and dressed beef abroad, so as to shut out other parties entirely from the foreign trade.

"The proof showed that in some instances all the steamers in a line would be contracted for months in advance to one shipper. (Printed testimony, pp. 555, 556 and 557.)

"The only reason assigned for this extraordinary proceeding is the pretext that if the carrying capacity of a steamer should be divided between two or more shippers, their employes in charge of the cattle would engage in quarrels and fights, which caused trouble and annoyance to the officers!

"As one witness expressed it, 'the idea is that the cattle-tenders get to fighting and we cannot control them, but where we have but one man's servants we can control them.'

"These exclusive contracts are not made after advertisement to the highest and best bidder, nor are sealed proposals made and accepted. The testimony shows that the contracts made by the steamship lines with brokers who offer to engage one or more steamers for a certain number of months at a certain price for transportation of each animal, and after the contract is closed the steamers contracted are out of the market. From that time the monopoly exists, and it is useless for any other shipper to apply.

"When it is considered that these steamers are common carriers, and subject to the law regulating the rights and duties of the public and common carriers, the enormity of

the abuse created by this practice of monopolizing their capacity in transporting cattle to foreign ports, is evident. The plain and settled provisions of the law governing common carriers require them to receive freight as it is offered from all shippers alike up to their full ability to receive and transport."

The report of the Senate committee is very succinct and complete. We have copied freely from it in order to give the reader some idea of the magnitude of the pillage connected with this single industry. We now venture to ask him if he does not think, in view of these facts, that a Government which will stand by and witness such wholesale spoliation without making an effort to protect the people, has about lost its vitality and virtue, and that the political parties under whose fostering care these outrages have been permitted have forfeited the respect and confidence of the people? Does not duty call us to the rescue, and dare we longer disregard her voice?

LETTERS OF MARQUE.

Letters of Marque, in the present age, simply consist of a license or extraordinary commission, granted by the supreme power of one state to its subjects to make reprisals at sea on the subjects of another. It is generally done under the pretense of indemnification for injuries received. By treaty, in 1856, letters of marque were abolished among European nations. They were generally the forerunner of war, and the persons who carried them little else than licensed pirates. The practice of granting such commissions was justified, however, by the most enlightened writers upon international law, and obtained among the most advanced Christian nations, even until the hand upon the dial of our own century had passed its meridian. In fact, this country still adheres to the doctrine, and refused to join with the European powers in the treaty of 1856.

It is not difficult to discern some color of reason and justification for the custom. A refusal to redress grievances is, in fact, the application of force to the situation, and force must be met with force. But the granting of letters of marque is always preceded by an effort on the part of the Sovereign whose subjects are injured to secure peaceful and orderly redress. Without such effort the practice cannot be justified, as it is equivalent to clothing private parties with the power of levying war, and expressly empowers them to seize, appropriate and destroy property belonging to subjects of the delinquent nation.

The creation of corporations for pecuniary profit, either by special charter, or under a general statute of authority, which may be evoked at any time for such purpose, bears strong resemblance to the practice among Nations of granting letters of marque, except that there is never any preceding offense to justify it. The corporation is always authorized by the Sovereign to make its reprisals upon an unoffending people. If the powers conferred upon the corporation are of a public character, such as should be performed by the Government itself but are conferred upon an association of individuals for private gain, the resemblance between the two becomes decidedly striking. In such cases the pretext is that it is for the public good, but in fact the sovereign power is farmed out for private gain and the public is depredated upon without mercy. Banking, transportation and telegraph companies clearly belong in this category. They are public corporations clothed with powers that clearly belong to the Government, and they exercise their exalted prerogatives for private emolument. The public welfare is simply subordinated to the exactions of private greed.

It is not by any means claimed that all corporations for pecuniary profit are vicious, either in design, management

or consequences. We simply affirm that the power to do wrong is conferred without the possibility of accompanying restraint. The children of men acting under the repression of moral and legal accountability, evolve about all the evil that humanity can bear, and the supplimentary harvest of injustice and wrong doing which results from the creation of a horde of artificial persons, who are void of the feelings of pity and the compunctions of conscience, inflames the situation to a degree which threatens the destruction of social order.

Among all nations it has long been conceded to be the duty of Sovereigns to construct and maintain highways, provide the circulating medium and superintend the transmission of intelligence among their subjects. Common sense and ordinary business prudence demand that we should have, in such matters, the most efficient service at the lowest possible cost. But the present system imposes an imperfect service at extortionate rates. Besides, it in fact empowers the corporation to discriminate between individual citizens and they constantly and arbitrarily exercise this power. The Government has neither the moral nor the legal right to discriminate or to favor one citizen in preference to another in matters which are the common right of all; and yet the corporation, acting with delegated power, seems to have no other rule of action. They claim and exercise the power to impoverish one individual by discriminations, and to enrich another; to build up one city and to lay waste another; to grant favors to the people of one locality at the expense and to the utter ruin of the people of another. No Government, guilty of such things could stand for a single year. No self-respecting or spirited people would for a moment think of submitting to such oppression at the hands of their Government, but would fly to arms without hesitation. They would choose the

hazards of war and prefer the perils of piracy to the certainty of spoliation under such a state of society. And yet our Government has chartered thousands of corporations, turned them loose upon us and now permits them to commit from year to year these very outrages upon our people. These charters are neither more nor less than letters of marque, authorizing those who hold them to prey upon the commerce of the country, and they are the forerunners of something still more serious if they be not speedily recalled and the evils they entail quickly remedied.

The United States Corporation Bureau of Chicago reports the weekly list of newly-completed corporations in the United States for the week ending May 22d, as follows: Total corporations, 362; total capitalization, $215,961,425; distributed as follows: mercantile and manufacturing companies, 176, $15,638,675; banks (not national) and investment companies, 12, $2,100,000; national banks (to May 18th) 1, $50,000; gold, silver and other mining and smelting companies, 7, $3,090,000; light, heat, power and transportation companies, 33, $37,532,000; building and loan associations, 16, $130,750.000; miscellaneous, 89, $7,548,750.

If we take the report for this week as an average, the corporations organized in the year 1891 will record the startling aggregate of 11,220,100. The value of all the gold and silver coin of the whole earth, produced during the last five hundred years, barely reaches this stupendous capitalization of the current year! The object had in view by the incorporators, in ninety-nine cases out of every hundred, is to shirk personal responsibility in case of loss—to exempt the private property of the stockholders from execution. These enterprises are made up of expectation and apprehension. If expectations are realized, corporators flourish; if apprehensions are verified, the misfortune is unloaded upon the people. Could anything be more monstrous.

The abuses which flow from these reckless and cruel ventures will be further elaborated when we come to treat of the transportation problem.

CHAPTER VII.

ROME. BRITAIN AND THE UNITED STATES.

A COMPARISON.

At the death of Theodosius, A. D. 395, the United Roman Empire was divided into what are known in history as the Eastern and Western Empires. The west, with its capital at Rome, was given to the deceased Emperor's son Honorius, and the east to the other son, Arcadius, with the capital at Constantinople. But the Empire was then tottering near its fall. When the great Theodosius died, one of his ablest military chieftains, Alaric, King of the Visigoths, taking advantage of the straightened condition of the Government, and the disorganized state of public sentiment, made war upon the Romans. In the year, A. D. 408, he reached the gates of Rome, at that time the most magnificent city of the world. The people were unwilling to defend it outright and so the wealthier portion of the community bought Alaric off for 5,000 pounds of gold and 30,000 pounds of silver, and his army was withdrawn. In the year 409 the siege was renewed, and finally in the third campaign (410) the city was taken and the soldiers were allowed to plunder it to their heart's content. It seems strange that a people who had conquered about all the nations then known, and whose victorous eagle dominated over all the countries bordering on the Mediterranean sea, together with Britain and a good part of western Asia, and

which contained within its own lines the centers of wealth, education and refinement, should be unable to defend themselves against the barbarous legions of this fierce marauder from the provinces of Northern Europe. The student of history involuntarily demands an explanation. The problem is not difficult of solution. Mankind have ever been the victims of tyrannical power and tyranny has a variety of manifestations.

When society is rife with the war-like spirit, the military despot is the oppressor. When the martial spirit subsides, labor, turning its attention to productive pursuits, smites the earth with the instruments of husbandry, and soon there gushes forth from its surface a golden stream, ample to supply all the wants of the children of men. Contentment, that fickle and elusive goddess, for a time smiles upon every home and presides at every fire-side. As wealth increases, methods of distribution and exchange are found to be inadequate. Barter proves to be tardy, clumsy and disappointing. Society, unmindful of its power, appeals to individuals instead of to itself to furnish facilities for exchange. These auxiliaries of trade and commerce are accordingly furnished, but in such limited quantities and at such an exorbitant price as to make the fortunate possessors of wealth and cunning the masters of society, and they, in turn, become the oppressors. In the very nature of human wants and in the vast variety of climate and soil, widely separated and yet inhabited by kindred beings, each having physical wants which his own locality cannot fully supply, nature seems to have suggested aloud through all ages and to all men, the necessity for fraternity and adequate facilities for mutual exchange. The currents of atmosphere sigh for sails to fill; the streams stretch inland from the sea; the frozen reservoirs of the mountains melt and leap down the ruggid precipice and

"join the brimming river," to construct a floating highway for man. The ebb and flow of tides beckon us to adventure and allure us to return. Nature would seem to further suggest that as men are numerous and prone to increase, and as the earth is bountiful in its provisions to meet the wants of human, and indeed of all animal life, mankind should also be quick to supply themselves with abundant facilities for exchanging and transporting these bounties. Without such provisions, production, in a great measure, is vain, proper distribution impossible, and the concentration of wealth in the hands of the few inevitable. Only the wealthy can afford to hold these products in large quantities to await distribution. It is under such conditions that the rich and powerful, taking advantage of the helplessness of the people, commit the great crime of all ages, the usurpation of the soil. Then in a brief period the unfortunate and weak are deprived of a foothold upon the earth, and soon the social structure topples to its fall to await reconstruction. Injustice of this character led to the downfall of every nation of antiquity; but neither the productive energy of the earth nor the industry of its inhabitants have been at fault. The difficulty has ever been with vicious and defective systems, alike hostile to the necessities of the race and the bounties of nature. Nations which persist in degrading and enslaving labor always perish. Society and the whole framework of civil government are built upon labor, nor could the State exist in peace for a single year without its sustaining power. Impoverish labor and you imperil the whole structure of society. Nay, more, you plant the seeds of decay, from which you must speedily reap a harvest of death. Men will voluntarily defend that which they love and cherish. But as soon as they learn that their government is a robber, or, that it protects privileged classes in robbing the

many, and that there is no escape from this glaring injustice, that moment patriotism is transformed into rebellion and sedition takes the place of public tranquility. Such were the results in Rome in the days of her greatest power. Such will be the sequel in America if we longer refuse to recognize the perils of our situation.

"During the entire ages of Trajan and the Antonines," says Sismondi, "a succession of virtuous and philosophic emperors followed each other; the world was at peace; the laws were wise and well administered; riches seemed to increase; each succeeding generation raised palaces more splendid, monuments and public edifices more sumptuous than the preceding; the senatorial families found their revenues increased; the treasury levied greater imposts; increasing opulence continued to meet the eye, but man became more miserable; the rural population, formerly active, robust and energetic, were succeeded by a foreign race; while the inhabitants of towns sank in vice and idleness, or perished in want amidst the riches they had themselves created. It is not on the mass of wealth, it is on its distribution that the prosperity of States depends."

The historian then proceeds to show the deadly results of colossal individual fortunes:

"During the long peace which followed the victories of Trajan and Marcus Aurelius, those colossal fortunes were accumulated, which, according to Pliny, ruined Italy and the Empire. A single proprietor by degrees came to buy up whole provinces, the conquest of which had in former times furnished the occasion of many triumphs of the generals of the republic. While this huge capitalist was amassing riches wholly disproportionate to the wants of man, the once numerous and respectable but now beggared middle class disappeared from the face of the earth. In districts where so many brave and industrious citizens were to be seen in former times, alike ready to defend or cultivate their fields, were found to be nothing but slaves who

rapidly declined in number as the fields came to be exclusively devoted to pasturage. The fertile plains of Italy ceased to nourish its inhabitants; Rome depended entirely for its subsistence on the harvest which its fleets brought from Cicily, Africa and Egypt. From the Capital to the farthest extremity of the provinces, depopulation and misery in the country co-existed with enormous wealth in the towns. From this cause the impossibility of recruiting the legions with native Romans was experienced even in the time of Marcus Aurelius. In his war against the Quadi and Marcommani, which had been preceded by a long peace, he was obliged to recruit the legions with the slaves and robbers of Rome. It is impossible to give stronger proof of the extent to which the enormous evil of the vast fortunes accumulated in the towns, and the entire ruin of industry in the country, had gone in the last days of the empire, than is to be found in the fact, that when Rome was taken by Alaric, in the year 404 (410) after Christ, while Italy could furnish no force to resist the invaders, the capital itself contained 1,760 families, many of them with incomes of £160,000 a year, equal to £300,000 of our money, whose expenditures maintained an urban population of 1,200,000 souls."

In describing the same scenes of desolation the French Historian, Michelet, says:

"The Christian emperors could not remedy the growing depopulation of the country any more than their heathen predecessors. All their efforts only showed the impotence of Government to arrest that dreadful evil. Sometimes alarmed at the depopulation, they tried to mitigate the lot of the farmer, and shield him against the landlord; upon this the proprietor exclaimed he could no longer pay the taxes. At other times they abandoned the farmer, surrendered him to the landlord, and strove to chain him to the soil; but the unhappy cultivator perished or fled, and the land became deserted. Even in the time of Augustus, efforts were made to arrest the depopulation at the expense of morals, by encouraging concubinage. Pertinax granted immunity from taxes to those who would occupy the desert

lands of Italy; to the cultivators of distant provinces and to the allied kings. Aurelian did the same. Probus was obliged to transport from Germany men and oxen to cultivate Gaul; Maximan and Constantius transported the Franks and the Germans from Picardy and Hainault into Italy; but depopulation in towns and country continued. The people gave themselves up to despair in the fields, as a beast of burden lies down beneath his load and refuses to rise. In vain the emperor strove by offers of immunities and exemptions, to recall the cultivators to their deserted fields. Nothing could induce them to do so. The desert extended daily. At the commencement of the fifth century there were in Happy Campania, the most fertile province of the empire, 520,000 jugera (320,000 acres) in a state of nature."

After searching history for the cause of this desolation, Gibbon says: "As the footsteps of the barbarians had not yet been seen in Italy, the cause of this amazing devastation, which is recorded in the laws (C. O. D. Theod. I. XI B. 38, C 2) can be ascribed only to the administration of the Roman emperors." Here is a picture with such familiar face as to be mistaken, were it not for the names, as a bit of current history taken from every day American life. Brutus, when he was pro-consul of Cicily, loaned money at 60℘ interest. The contrast in the home life of the borrower and the lender may readily be imagined. In that day, as in this, men of large estates frequently expended immense sums in commendable public enterprises. Agrippa built the pantheon at his own expense and supplied Rome with a hundred fountains and adorned them with stately carved columns and statuary. "The nobles of Rome," says Gibbon, "were more tenacious of property than of freedom."

Lord Macauley speaking of the economic situation in Rome, says:

"The ruling class was a monied class; and it made and administered the laws solely to its own interest. Thus the relation between the lender and the borrower was mixed up with the relations between Sovereign and subject. The great men held a great portion of the community in dependence by means of advances at enormous interest. The law of debt framed by the creditors, and for the protection of creditors, was the most horrible known among men. The liberty, and even the life, of the insolvent were at the mercy of the patrician money lenders."

About the close of the second century the pretorian band, numbering less than 15,000 men, had Rome completely at their mercy. When the emperor Pertinax undertook to correct the abuses which had grown up under the infamous Commodus, he was beheaded by the pretorians. His father-in-law aspired to the throne. Fearing the fierce murderers of the emperor, he offered to treat for the imperial dignity. This had only the effect to whet the avarice of the soldiers and they immediately ran out on the ramparts and proclaimed that the empire was to be sold at public auction to the highest bidder. Didius Julianus, a wealthy Senator, yielding to the persuasions of his family, hastened to the pretorian camps, took his position at the foot of the ramparts and began to bid against Sulpicianus, the father-in-law of the late emperor. Faithful messengers passed from one candidate to the other and acquainted each of the others bid. Sulpicianus offered a hundred and sixty pounds to each soldier. Julianus at once offered upwards of two hundred pounds sterling and immediately the gates of the camp were thrown open to the purchaser. He was declared emperor and received the oath of allegiance from the soldiers. After a brief and bloody reign of sixty days, he was himself overthrown and beheaded at the order of Severus who, at the urgent solicitation of the Roman people, had collected an army

for the purpose of avenging the murder of Pertinax and to assert the violated majesty of the empire.

This conqueror disarmed the pretorians, decreed that none of them should live nearer than one hundred miles of the capital, and put forty-one senators to death who had acknowledged the purchased authority of Julianus. About the close of the second century Cleander was prime minister of the Emperor Commodus. Gibbon, in his Decline and Fall of the Roman Empire, says of him:

"Avarice was the main passion of his soul, and the great principle of his administration. The rank of consul, of patrician, of Senator was exposed to public sale; and it would have been considered as disaffection, if any one had refused to purchase these empty and disgraceful honors with the greatest part of his fortune. In the lucrative provencial employments the minister shared with the governor the spoils of the people. The execution of the laws was venal and arbitrary. A wealthy criminal might obtain, not only the reversal of the sentence by which he was justly condemned, but might likewise inflict whatever punishment he pleased on the accusor, the witnesses and the judge. * * * To divert the public envy, Cleander, under the emperor's name, erected baths, porticos, and places of exercise, for the use of the people."

It was the boast of Augustus that he found the capital of brick and left it of marble; yet the visible accumulations of increasing wealth did not inure to the relief of the poor.

For centuries prior to the fall, money was exceedingly scarce among the people. The oath required of every taxpayer was so strict and the penalties accompanying its violation so extreme, as to render concealment by the private citizens more dangerous than disclosure. When it became known that an individual was possessed of any considerable quantity of treasure, it was in some way made tributary to the royal exchequer. The tillers of the soil had neither money, adequate facilities for transportation

nor medium of inter-communication. If want existed in one province and a surplus in another, there was no sufficient and speedy method of bringing the two extremes together. The farmers were poor and in times of plenty the fortunate possessors of wealth purchased the supplies at ruinously low prices, stored them in warehouses and awaited the time of scarcity. In the purchase they robbed the producer. When scarcity came they extorted exorbitant prices from the consumer. The senators who possessed lands connived at and openly engaged in speculations in the necessaries of life. The Emperor Julian reproached them for this, and on one occasion imprisoned above two hundred of them for a short time, on the charge of having sacrificed the public welfare to private interest.

By imperial decree he enacted that in time of scarcity grain should be sold at a price below what it brought in years of plenty. He then sent into the markets 422,000 measures of imperial wheat which was sold at the minimum price. The rich bought it up and withheld the supplies. The small quantity which appeared on sale was secretly disposed of to the consumers at famine prices. This crime has cursed the world through all ages, and the civilization of our own period is grappling with this ancient enemy of the race.

At this era taxes, for the most part, were payable in gold coin, the only kind of money which could be legally accepted. The remainder of the tribute was payable in kind, such as wine or oil, corn or barley, wood or iron, and the laws for the collection of every species of tax were severely distressing and cruel. To use the language of Gibbon, the system of taxation "fell like a hail-storm upon the land, like a devouring pestilence upon its inhabitants." There was a personal tribute laid upon the industry of the poor

called the "Gold of affliction." It was abolished by Anastasius amid the rejoicing of the people.

But seasons of reform were of short duration and invariably followed by oppression and constant disorder. Sunshine and tempest, tranquility and tumult, private accumulation and public spoliation followed each other in such quick succession that human nature became exhausted, hope perished and constructive effort ceased. The acquisitions of industry only invited the vicious to plunder and even the loving kindness of the gospel was scoffed at as the code of hypocrisy and cowardice. Man could do no more. The Nation stood facing its sepulcher. There was nothing left for it but death, mitigated by the reflection that when nations die accursed of God and man there is for them no resurrection.

At the period of the fall of the Western Roman Empire, its authority extended over the territory now occupied by the following states among others:

	Square miles.
Italy	114,380
Spain	198,171
Portugal	34,595
France	204,030
Germany	208,624
Great Britain and Ireland	121,571
Total	881,371

But this includes mountains, lakes, streams, cities, marshes, and all other varieties of untillable area. We must deduct therefore from this total one-third at least in order to ascertain approximately the tillable land in the countries named. This will leave us 587,000 square miles, in round numbers.

It will be conceded, doubtless, that nature in the creation of this vast area of fertile land suited for the abode of man, did not accompany the gift with a law which should

cause the wealth resulting from its cultivation to flow into the hands of a few idlers. It would be blasphemous to so conclude. Man alone is responsible for this stupendous crime, wherever it is found to exist.

The fatal malady spoken of by the historians quoted did not stop with the death of the Roman Empire. It has remained like a leprosy to curse all the nations of the old world, and the virus has inocculated all peoples.

Like a dreadful scrofula it has been transmitted from generation to generation and from age to age. It is sickening to contemplate the sufferings of the countless millions of human beings who have lived in abject want and died in helpless poverty within the kingdoms of the old world. Surrounded with abundance of food on every hand which they themselves created, they were doomed to starve. With material in sight sufficient to comfortably clothe the world they were forced to shiver naked in the cold. With supplies on every hand sufficient to shelter all mankind they were condemned by inhuman laws and devilish economic systems to herd together like cattle, without shelter, homeless upon the earth. When laws become so vicious that the generous earth can no longer supply the wants of man and he is forced, in order to keep soul and body together to sell the planet on which he lives, it must be conceded that his condition is most miserable and the tyranny under which he is forced to live most complete.

In a work published in England by Mr. Williams, in 1875, it is stated that "The larger portion of the land in the kingdom is at present in mortgage," and it is estimated by competent authority at present that three-fourths of the land is mortgaged. Germany and Holland are similarly situated. In Italy mortgages are entirely out of proportion to value. Cuba is so heavily in debt that her people, although blessed with the richest soil on earth and the mildest

climate, are giving up in despair and resorting to brigandage. Five-sixths of the property of Ceylon is pledged beyond its value. Egypt, India, Syria, Asia Minor and a score of other states have sunken hopelessly under the servitude of debt. The reports of American consuls concerning foreign mortgages, made to the Secretary of State in the year 1889, give the reader a succinct view of the mortgage curse of the world. They show that every nation, from the weakest to the most powerful, is carrying a load of individual indebtedness which is crushing out the hope, energy and the very life of mankind. They prove that usury is eating up the race and beggering universal society.

The estimate of foreign debts, it must be remembered, do not include corporate, municipal and provincinal indebtedness which serve to make the situation in the Old World still more alarming. As might be expected, valuations decreased between 1870 and 1880, from eighty to seventy-eight parts, while public and private debt increased enormously. Productive earnings sunk during the same period from seventy-five to seventy-three parts, while taxation rose from seventy-six to eighty parts. The situation of the human race in that part of the world, under present systems, seems well-nigh hopeless. Impoverished, disarmed, helpless, held in subjection by enormous standing armies, even the power to rebel is taken away. The state is armed and the citizen disarmed. The only alternative left is the possibility of escaping to some other country where the laws and conditions are more humane. This accounts for the restless tide of immigration constantly rising on our shores—a tide that ever flows but never ebbs.

But what is the situation in our own beloved

AMERICA?

The Roman Empire had been in its tomb more than fourteen hundred years when our nation was born. But it

should ever be remembered that man cannot get away from his own type, and that like causes will produce like effects in all ages and among all peoples.

Does the young but great Republic hold out any hope to mankind? Are we still a beacon light, or has our lamp so soon grown dim? Are we still an asylum for the oppressed of all nations, or are we about to become a policeman for the monarchs and despots of the old world—a despicable, international slave-catcher, under a world-wide fugitive slave law—engaged in the business of arresting and returning to their cruel task-masters the poor slaves who are fleeing hither to become citizens and to escape from hopeless conditions? We blush to think that the events of a single century under our own unobstructed administration, have relieved the reign of George III. from at least one aspersion contained in our Declaration of Independence, namely: the charge of "obstructing the laws for the naturalization of foreigners; refusing to pass others to encourage their migration hither."

We are but an infant among the nations, but we have inherited a large estate. Our country is sparsely populated; we have hundreds of millions of acres of fertile soil which have never felt the energy of the plowshare nor yielded a single grain for the sustenance of man, and yet we are complaining of immigration!

England has 420 inhabitants to the square mile, New York has about 130, Massachusetts, exceptionally populous, has about 220, Belgium has 450 to the square mile, Her territory is about the size of the state of Maryland, but her population outnumbers the latter nearly five to one. If Ohio were peopled as densely as Belgium, she would contain 20,000,000 people and Illinois would contain 24,000,000. Iowa would contain over 21,000,000. If our whole country were peopled like Belgium, we would number more

than 1,400,000,000 souls, or a greater population than now lives upon the whole globe!

PRODUCTIVE POWER OF OUR COUNTRY.

We find the following astonishing, yet nevertheless reliable, statements in a speech delivered by the late Samuel S. Cox, in the Fiftieth Congress, upon the bill providing for taking the eleventh census:

"The land in actual use for growing maize or Indian corn, wheat, hay, oats, and cotton in the whole country now consists of 272,500 square miles, or a little more than the area of the single state of Texas.

"The entire wheat crop of the United States could be grown on wheat land of the best quality selected from that part of the area of the state of Texas by which that single State exceeds the present area of the German Empire.

"The cotton factories of the world now require about 12,000,000 bales of cotton of American weight. Good land in Texas produces one bale to an acre. The world's supply of cotton could therefore be grown on less than 19,000 square miles, or upon an area equal to only 7 per cent of the area of Texas."

How completely do these statements and figures demonstrate the truth that our economic troubles are the result of puereile and vicious systems—systems born of avarice and upheld for plunder.

What has become of our Christianity? There is certainly room and to spare, at our table. The laws which govern the reproduction of our race are not at fault. The world is impatient for an explanation and our dilema must be quickly interpreted.

A century of experiment has shown that our economic system is utterly unsuited to an increasing population, to the unerring laws of nature and to the fundamental wants of the human race. Think of the barbaric savagery of a system which permits a single generation to appropriate

to itself the whole planet upon which it lives, in defraud of all who are to come after them! Is it any wonder that we hear of conflicts between capital and labor? Of conflicts between those who have appropriated the earth and those who have been excluded from its occupancy and its blessings? We may be mistaken, but if we know anything of the laws which govern human nature and which must at last find vent and expression, the difficulties which now exist in our country and which are daily manifesting themselves in strikes, lock-outs and incipient riots, are simply the picket firing which precedes the general conflict, if the people of America refuse much longer to listen to the voice of reason. If the troubles of to-day are serious, what will be our peril twenty years from now with our population grown to a hundred millions? Society calls aloud for readjustment and it must come speedily. The promptings of duty, the voice of justice and the ties of consanguinity unite in a three-fold persuasion to urge us to enter at once upon the work before it shall be unalterably too late.

The child, who is born while we are penning these thoughts, comes into this world clothed with all the natural rights which Adam possessed when he was the sole inhabitant of the earth. Liberty to occupy the soil in his own right, to till it unmolested as soon as he has the strength to do so and to live upon the fruits of his toil without paying tribute to any other creature, are among the most sacred and essential of these rights; and any state of society which deprives men of these natural and inalienable safeguards, is an organized rebellion against the providence of God, a conspiracy against human life and a menace to the peace of the community. When complete readjustment shall come, as come it must quickly, it will proceed in accordance with this fundamental truth. The

stone which the builders rejected will then become the head of the corner.

But let us see if we are not traveling with frightful velocity along the same road which led Rome to the grave. It is true that our chief magistracy has never yet been sold at public auction; but does any one doubt that it has frequently, of late years, been purchased at private sale? The enormous campaign assessments, personal contributions and wholesale disbursements which have characterized the presidential contests of late years leave little room for either doubt or apology, and they do not fall far short of open and avowed purchase. A seat in the United States Senate is now rarely secured except by the corrupt use of money and none but the wealthy need apply. It is an open secret that official positions, from the highest to the lowest in all the states and municipalities are often captured by an expenditure of money largely in excess of the stated emoluments of the office. It is well-known to all who are familiar with public life that there has not been a single session of Congress within a quarter of a century which has been free from formidable schemes of jobbery—schemes looking either to the inauguration of new systems of plunder or the consummation of old ones. Our state legislatures are universally beset by formidable lobbies which either represent those who are seeking some new grant of power, or the beneficiaries of former vicious legislation who are now anxious that "vested rights" shall not be disturbed.

A prominent Pennsylvania gentleman, long familiar with public affairs in that State, says: Inside of seven years the Standard Oil Trust spent $325,000 at Harrisburg. In five years it spent over $60,000 in Columbus; at Albany, but covering different years, $35,000—for what? Has the reader any doubt? Not a single legislative session passes

in any of the states where this crime is not substantially committed over and over again, from year to year, by the various classes of corporations and their agents.

LANDED ESTATES.

The immense landed estates of Britain had their origin in the vast grants made by William the Norman, to his military chieftains in the latter part of the eleventh century. But the overthrow of the feudal system established by the conqueror has not resulted in parceling out the great landed estates. On the contrary the tendency in modern times is toward enlargement of such holdings. Tyrants have always understood that if nations are to be enslaved the people must first be robbed of all title to their homes. When the feudal system was broken up it seemed that the land was about to be divided into small tracts henceforth to be cultivated by an independent, thrifty people. The hope proved illusive. Tyranny simply fell back on a stronger line of defense against popular aggression—the permanent impoverishment of labor enforced through a restricted circulating medium, and the control of the other great agencies of commerce. The right to accquire a freehold was acknowledged, but the power to acquire it was withheld. So solicitious are civilized men to acquire homes of their own upon the earth, that in every period of industrial prosperity in Great Britain, the number of small holdings have invariably increased; but alas, with every reverse they have again diminished. To-day the people of Britain are fenced out from millions of acres of uncultivated land as we in the west were wont to fence out our cattle from cultivated fields in early days. Mr. John Bright a few years ago declared that nine hundred and thirty-five persons owned twenty-three million acres in the United Kingdom. The Duke of Breadelbane drives a

hundred miles in direct line on his own land. The Duke of Southerland owns the whole of the county of Southerland, comprising about eighteen hundred square miles. Mr. Wallace Bruce, United States Counsel at Leith, in his report to the Secretary of State, December, 1890, says that four million eight hundred and forty-three thousand acres of farm land in England are cultivated by tenants. This condition is still more marked in Ireland and Scotland. But we shall have something further to say upon land titles in England in our chapter on the effect of our financial system on land ownership.

But the curse of land monopoly is increasing in our own country in an alarming ratio.

The Committee on the Judiciary in the House of Representatives, for the Fifty-first Congress, was charged with the duty of investigating the extent of alien land ownership in the United States. They made a report (No. 2388) during the first session of that Congress. They say:

"Your committee have ascertained, with reasonable certainty, that certain noblemen of Europe—principally Englishmen—have acquired and now own in the aggregate about 21,000,000 acres of land within the United States. We have not sufficient information to state the quantity owned by untitled aliens, nor is it so important, as it is generally held in smaller bodies. This alien non-resident ownership will, in the course of time, lead to a system of landlordism incompatible with the best interests and free institutions of the United States. The foundation of such a system is being laid broadly in the Western States and Territories. A considerable number of the immigrants annually arriving in this country are to become tenants and herdsmen on the vast possessions of these foreign lords, under contracts made and entered into before they sail for our shores.

"The avarice and enterprise of European capitalists have caused them to invest in American railroads and land bonds, covering perhaps one hundred million acres, the

great part of which, under foreclosure sales, will most likely before many years, become the property of these foreign bondholders, in addition to their present princely possessions. It is thus manifest that if the present large alien ownership is an evil, of which we have no doubt, the probabilities of the near future will still more imperatively demand legislation for its prevention. This aggressive foreign capital is not confined to lands it has purchased, but, overleaping its boundaries, has caused hundreds of miles of public domain to be fenced up for the grazing of vast herds of cattle and set at defiance the rights of the honest but humble settler."

The committee further report that Mr. Sculley, who resides in England and is a subject of the Queen, owns ninety thousand acres of land in the State of Illinois, occupied by hundreds of tenants, mostly ignorant foreigners, from whom he receives, as rent, $200,000 per annum, and expends it in Europe. The Scheuley estate, consisting of about two thousand acres within the city limits of Pitts burgh and Alleghany, from the rents of which the Scheuleys, who are subject to the British Queen, draw annually not less than $100,000, is another remarkable instance. The committee then very pertinently remark that "No other Nation in the world allows the subjects of other Governments to acquire such possessions within its jurisdiction."

The committee also state that "The tenth census shows that the United States have 570,000 tenant farmers, (it will doubtless reach 800,000 at the present time) the largest number possessed by any nation in the world, notwithstanding our policy of giving homes to all natives and foreigners who have declared their intention to become citizens if they will but reside upon the land for five years.

"With the natural increase in population and the 500,000 foreigners who flock to our shores annually, and by competition, are reducing the wages of labor, making the bat-

tle of life harder to win, how, a few years hence, to provide homes for our poor people is a problem for the American statesman to solve. The multiplication of the owners of the soil is a corresponding enlargement of the number of patriots, and every landlord in this country should owe allegiance to the United States."

This report was made by Mr. Oates, of Alabama, and is patriotic and statesmanlike throughout.

In every state in the Union immense areas are held by single individuals, and worse still by corporations.

In the state of Texas, vast tracts are held by single citizens, non-resident speculators and aliens, foreign syndicates and by various classes of speculative associations. The legislature of this State granted 3,000,000 acres of the finest pasture land within her borders to the Farwell Syndicate, of Chicago, in consideration that the latter should construct for the state of Texas a capitol building. Under the terms of annexation this State retained the title to her unoccupied lands. The most reckless prodigality has characterized the management of this priceless estate throughout the entire history of that commonwealth. The doors have been thrown wide open to every kind of fraud, spoliation and speculation. Following the example of the general Government, every land grabber in Christendom, foreign or domestic, was welcomed to her borders.

BAD EXAMPLE OF ONE CITIZEN.

Ex-Governor Coburn, of Maine, in 1887, owned in his own State, forty-five thousand acres, eighteen thousand in Michigan, thirty-five thousand in Wisconsin, eighteen thousand in Minnesota, thirty-five thousand in Dakota and one hundred and thirty-five thousand in Canada. His last purchase was thirty-five thousand acres from the Northern Pacific Railroad corporation, and Mr. Whipple, his land

agent in Dakota, declared it was among the most fertile land in all the West. This is only one instance among hundreds of like enormity.

ANTHRACITE COAL LANDS.

The total amount of anthracite coal land in Pennsylvania, is between two hundred and sixty thousand and two hundred and seventy thousand acres. Of this the Reading Coal and Iron Company owns ninety-five thousand acres; Central Railroad of New Jersey, fourteen thousand acres; Lehigh Valley Railroad, twenty-five thousand acres; Delaware, Lackawanna & Western, twenty thousand acres; Delaware & Hudson, twenty thousand acres; Pennsylvania Coal Company, ten thousand acres; and the Pennsylvania Railroad, ten thousand acres. The remainder is held by parties who are forced by transportation exactions to follow the lead of their more powerful neighbors and rivals.

The capitalization of these companies and their allies is $500,000,000. Even the New York Legislature thought it was excessive.

IN THE RING.

The anthracite combination consists of the Philadelphia & Reading Railroad Company, the Lehigh Valley Railroad Company and the Lehigh Coal & Navigation Company, the Delaware, Lackawanna & Western Railroad Company, the Pennsylvania Railroad Company, the Delaware & Hudson Canal Company, the Pennsylvania Coal Company and the New York, Lake Erie & Western Railroad Company. The companies are named in the order of their importance as coal miners and carriers.

Two great combinations control the output of soft coal in Western Pennsylvania and Ohio.

One of these pools is called the Buffalo Pool. It consists of the railroads which control all the products which come by way of Buffalo for a market—the Rochester and Pittsburg, the Buffalo, New York and Philadelphia and the Erie Railroad. They are named in the order of their importance as coal carriers. They bring the yield from the Western Pennsylvania coal fields.

The other pool is known as the Ohio Pool, and it controls, as its name implies, the output from the Ohio fields. The syndicate consists of the four coal carrying roads which control the transportation from that section—the Hocking Valley, the Wheeling and Lake Erie, the Toledo and Ohio Central and the Panhandle division of the Pennsylvania system, naming them in the order of importance.

These combinations in the soft coal regions are rapidly extending over all the known coal and iron fields of the country, and they are largely controlled by those who are prominent in Eastern pools. They extend also into the coal and iron fields of the South and West. In short, the curse is everywhere.

The great coke industries are also controlled by powerful combinations which have imported Hungarians and Poles in great numbers to compete with American labor. These cruel and barbarous combinations are responsible for the bloodshed, rioting and merciless evictions which are in progress as we pen these lines. (May, 1891.)

THE CONCENTRATION OF WEALTH.

About one-thirtieth part of the English people own two-thirds of the wealth of that nation. But the wealth of her mightiest citizens fall greatly below the average wealth of a score of Americans. Mr. Thomas G. Shearman has rendered the cause of liberty the world over, a most patriotic service, by his startling contributions to the Forum Maga-

zine for November, 1889, and January 1891, upon the distribution or rather concentration of wealth in England and America.

The richest of the Rothchilds, and the great banker, Baron Overstone, each left an estate of $17,000,000. Earl Dudley, the great iron manufacturer, $20,000,000; the Duke of Baccleuch, $30,000,000; the Marquis of Bute, not to exceed $40,000,000; the Duke of Norfolk, $40,000,000; the Duke of Westminster, $50,000,000.

After but a partial examination of the field, mostly within the range of his personal observation, Mr. Shearman, in the papers named, gives a list of seventy names, none of whom possess less than $20,000,000; many of whom possess above $100,000,000 and as high as $150,000,000, and their average wealth is $35,000,000. The total wealth of the seventy reaches the startling sum of $2,700,000,000. Mr. Shearman finds sixty-seven millionaires in Pittsburg, sixty-three in Cleveland, whose wealth aggregate $300,000,000; sixty in three villages of New York, whose wealth sums up $500,000,000. One of the estimated parties declares that the calculation is too low and that $750,000,000 would not be beyond the truth. Fifty families in Boston pay taxes on $1,000,000 each. And finally Mr. Shearman says that the annual income of one hundred of the richest Americans cannot fall short of $1,500,000 each; while the annual income of one hundred of the wealthiest Englishmen will not exceed $450,000 each. He finds that 250,000 persons own three-fourths of the wealth of this country and that out of this number less than 40,000 families own fully one-half of the entire wealth, or $31,000,000,000. Upon careful examination of the field he is convinced that the number who own the $31,000,000,000 can safely be reduced to 25,000 families.

That born aristocrat, the Duke of Marlborough, in a recent paper contributed to the *Fortnightly Review*, notes the bold and aggressive power of the American plutocracy and speaks of "An irresponsible railway aristocracy far more dangerous in its ways than any aristocratic class that ever existed in England."

Let us endeavor to grasp something of the significance of the above figures. The late war commenced in April, 1861, and closed April, 1865, a period of four years, or 1,460 days. The cost was about $3,000,000 per day, or $4,380,000,000 in the aggregate. A great part of this expenditure was due to the depreciation of our currency which was inflicted upon the people by the statutory exception touching its legal tender quality and which was inserted for the benefit of speculators. At the present price of supplies of all kinds, the seventy millionaires referred to by Mr. Shearman, with their $2,700,000,000 of wealth could maintain an army in the field equal to the Union forces in the late war, for a period of four years and then emerge from the conflict out of debt and entirely solvent! The 250,000 persons who own the $47,000,000,000, could equip and support an army equal to the Union and Confederate forces in the late war combined, and for a period of four years, with an expenditure of less than one-fifth of their present accumulated wealth! We should bear in mind that these colossal fortunes have been accumulated since 1861, by men who started in moderate circumstances at the beginning of that period. With their immense accumulations of wealth and class laws still operating in their favor, what may they not accomplish within the next ten years? These colossal fortunes have no parallel in the annals of the world. Unless the causes which have produced them be speedily removed they foreshadow the utter destruction of republican institu-

tions and the inauguration of another tragic era in the history of civilization.

FRANCE AT THE OPENING OF THE FRENCH REVOLUTION.

A letter written by Mr. Jefferson to Mr. Madison, dated Fontainebleau, October 28, 1785, says:

"The property of this country (France) is absolutely concentrated in a very few hands, having revenues of from half a million of guineas a year downward. These employ the flower of the country as servants, some of them having as many as two hundred domestics not laboring. They employ also a great number of manufacturers and tradesmen, and lastly the class of laboring husbandmen; but after all these comes the most numerous of all the classes—that is, the poor who cannot find work. I asked myself what could be the reason that so many should be permitted to beg, who are willing to work, in a country where there is a very considerable portion of uncultivated lands. These lands are kept idle mostly for the sake of game. (They are after human game in America.) It should seem, then, that it must be because of the enormous wealth of the proprietors, which places them above attention to the increase of their revenues by permitting these lands to be labored. I am conscious that an equal division of property is impracticable; but, the consequences of this enormous inequality producing so much misery to the bulk of mankind, legislators cannot invent too many devices for sub-dividing property, only taking care to let their sub-divisions go hand in hand with the natural affections of the human mind. The descent of property of every kind, therefore, to all the children, or to all the brothers and sisters or other relations in equal degree is a politic measure, and a practicable one. Another means of silently lessening the inequality of property is to exempt all from taxation below a certain point and to tax the higher portions of property in geometrical progression as they rise. Wherever there are in any country uncultivated lands and unemployed poor, it is clear that the laws of property have been so far extended as to violate natural right. The earth is given as a common

stock for man to labor and live on; if, for the encouragement of industry we allow it to be appropriated, we must take care that other employment be furnished to those excluded from the appropriation. If we do not, the fundamental right to labor the earth returns to the unemployed. It is too soon yet in our country to say that every man who cannot find employment, but who can find uncultivated land shall be at liberty to cultivate it, paying a moderate rent; but it is not too soon to provide by every possible means that as few as possible shall be without a little portion of land. The small land-holders are the most precious part of the state."

(See Bancroft's History of the Constitution. 463–4, Vol. 1., Appendix.)

Little did Mr. Jefferson, who was then our minister of the French Court, apprehend that within less than four years from the date at the head of his letter, there would burst forth from the very conditions which he was describing to his friend Mr. Madison, the most tragic and cruel revolt known to the history of modern nations—the French Revolution. The deep but suppressed sense of injustice long suffered, rushed armed into the streets, surrounded the palaces, thronged the public assemblies and demanded expiation and atonement. Swarms of women and children surrounded places of public resort crying, "Bread! Give bread!" The sword had come and the guillotine was in waiting for its victims. America feels that she has safeguards against such a catastrophe, but to be available they must be applied when the public mind is tranquil and free from the passion of revenge.

According to the census reports of 1880, there were five hundred and thirty-nine million acres of cultivated land in the States and Territories of the United States. Let us estimate it at seven hundred millions at the present time. After careful inquiry and investigation we deem it a low estimate to say that two-thirds of these lands are under

mortgage, paying such excessive tribute to the usurer, that after keeping up repairs, paying taxes and defraying the current expenses of families, there are no profits left. Usury has swallowed them up and in many cases leaves each year a deficit against the proprietor. Each farm is supporting two sets of proprietors, the nominal land owner and the mortgage owner. The man who holds the mortgage really owns the land; only the equity of redemption and the right of occupancy remain with the mortgager.

Now two-thirds of seven hundred million acres are 466,666,666⅔ acres, and this is precisely 729,166⅔ square miles, or an area of 142,666⅔ square miles greater, as we have seen, than the total tillable land in Italy Spain, Portugal, France, Germany, Great Britain and Ireland. This analysis shows that we are drifting towards ancient Roman and modern British conditions as a rudderless ship would drift before a howling hurricane. We are amazed and appalled as we contemplate the velocity at which we are traveling toward perilous times. Like a meteor falling through space we will ignite by sheer friction. And when we consider that our unhappy condition has been reached in a single century, and practically during the last quarter of a century, it does not require the gift of prophecy to foretell what the end will be. If such results are normal and flow from legitimate and healthful influences, it becomes pertinent to ask what are the peculiar advantages and safeguards of republican institutions over monarchy or an aristocracy?

Providence has been bountiful with us. We have a fertile country blessed with a mild climate. We are eighteen times greater in area than the republic of France, while we have at present less than double her population. Our supply of raw material is abundant, and our facilities for manufacturing without a parallel. We have every variety of

climate with fruits and cereals ample to supply the wants of the world. By what evil genius are we controlled? Is there some fell spirit at the helm determined to drive our bark upon the rocks? We submit that it is the duty of the American people to immediately search out the causes of these conceded evils and this growing discontent; and we must apply, and apply quickly, the amplest remedies which good hearts and wise heads can devise.

CHAPTER VIII.

THE SILVER PROBLEM.

This whole book could be devoted to the silver question —the history and use of silver among nations, ancient and modern, the relation which it bears to the commerce of our day and to the circulating media throughout christendom; but such treatment of the subject is beyond the scope of this chapter and, as we think, unnecessary at the present stage of practical inquiry. We shall restrict ourselves to thoughts concerning the necessity and importance of its full reinstatement as money in our own country, the motives and influences which led to demonitization in England, Germany and the United States, and shall endeavor to answer some of the arguments, or to speak more accurately, the fallacies and sophistries now interposed to prevent the unrestricted coinage of the white metal. The remarkable stability which has always characterized the ratio between gold and silver will also be alluded to, and tables will be appended for the information of the reader, covering a period of nearly four thousand years.

The Government of the United States is in its youth. Our resources of every description necessary to human comfort and advancement, are without a parallel. Our population, when compared with our inhabitable area and generous resources of soil, climate and products, is but meagre. With such surroundings as these it is right that we should look for happiness and contentment among the

people. Instead, however, we find that discontent, debt and destitution exist throughout every state and territory in the Union. It is true that this condition of affairs does not extend to the whole population. But it is beyond dispute that it includes a very considerable portion of those who earn their living by manual labor. We find millions of people homeless and out of employment; millions more in danger of losing their homes, and still more millions working for wages scarcely sufficient to sustain life and respectability and so meager as to shut out hope for the future. These things result neither from pestilence nor famine. The situation is full of the most aggravating contradictions. This destitution, low condition of wages, idleness, debt, and this homeless condition among so many people—all of these distressing things—exist along side of abundant crops, within sight of millions of acres of unoccupied land and in spite of the fact that three-fourths of our country is still in the rough, new, unfinished and sadly in need of labor. In spite of the fact that our products of food and raiment are ample to feed and clothe the world, the whole country is startled with the cry of destitution and poverty! It is certainly the duty of statesmen, philosophers, philanthropists and christian people to search out the real causes of these distressing evils. And having ascertained the cause or causes, it is their duty to remove the sources of irritation if within the range of human power.

With each recurring season the earth, taken as a whole, affords ample sustenance and to spare, for all animal life. It is evident that ages were spent in preparing the forests, minerals, fowls, fishes and beasts necessary for the convenience of earth's noblest inhabitant—man. Those things which man could not provide and do for himself, were furnished ready made by his Creator, and man was enjoined

to make use of these instrumentalities in tilling the earth and fashioning it into beauty. Next to the obligation to labor the earth lies the great duty of properly distributing its products. The importance of this latter consideration seems to be but just dawning upon mankind.

Two things are essential to proper distribution. First, abundant circulating medium. Second, ample facilities for transportation, extending to every sub-division of the community and to the remote parts of the body politic. We shall here treat only of the first. The second will be reserved for another chapter.

Old terms and phrases are prone to become trite and threadbare, but they did not come into general use without good reason. We have declared that the first essential to proper distribution is abundant circulating medium—money. We do not mean plenty of idle money, nor money which is so scarce and hence so valuable that it can bring greater returns to its owner by being hoarded than by being invested. We mean money that is abroad in the channels of trade performing its legitimate office; money that works and not money that shirks. Idle money is more to be despised than idle men. The latter are often the result of the former. There is a compressed sermon capable of infinite expansion in Saint Paul's injunction to the Thessalonians, "that if any would not work neither shall he eat." An idler from choice is an intruder and a nuisance. He is asking for reward in return for injury inflicted. We very properly call him worthless, and the longer he remains idle the less he is worth. Now money was invented to fill a certain office, to do a given work. If it will bring as much or more to its owner when locked up in vaults than it will when flowing in the channels of trade or invested in productive or distributive enterprise, it has simply ceased to be a benefactor and has become a scourge;

it has been transformed into a robber and has turned doggedly upon society to plunder and destroy. When money ceases to work—to circulate—the holders of it should not be rewarded for its idleness. They should suffer loss by reason of this idleness just as an individual suffers loss when he will not work. It is impossible for money ever to circulate with proper activity as long as it is so artificially scarce as to command a rate of interest equal to the average annual increase of wealth. Prudent, well-informed men cannot afford to borrow under such conditions. The value of a tool lies in its use. If the owner does not wish to use it himself, he cannot be justified in exacting nor the borrower in paying as much for its use as can be earned by the tool and the borrower combined. When money becomes so scarce as to command a rate of interest which is double such increase of wealth and even greater than this, as is the rule in this country to-day, and largely so throughout the world, nothing but the direst calamity, disarrangement and confusion can reasonably be expected. To paraphrase an expression once made use of by Daniel Webster, we are justified in asserting that as long as "the rich man's field is fertilized by the sweat of the poor man's face," labor will and should be discontented and the labor problem will remain unsolved.

THE DEMAND FOR MONEY

Senator John P. Jones, of Nevada, whom the writer believes to be the best equipped scholar and clearest thinker upon the money question to be found among all the men of the present age, in a recent speech delivered in the Senate, gave utterance to the following sage and comprehensive remarks:

"The demand for money is equivalent to the sum of the demands for all other things whatsoever, for it is through

a demand first made on money that all the wants of man are satisfied. The demand for money is instant, constant, and unceasing and is always at a maximum. If any man wants a pair of shoes, or a suit of clothes, he does not make his demand first on the shoemaker, or clothier. No man except a beggar makes a demand directly for food, clothes, or any other article. Whether it be to obtain clothing, food or shelter—whether the simplest necessity or the greatest luxury of life—it is on money that the demand is first made. As this rule operates throughout the entire range of commodities it is manifest that the demand for money equals at least the united demands for all other things.

"While population remains stationary, the demand for money will remain the same. As the demand for one article becomes less, the demand for some other which shall take its place becomes greater. The demand for money therefore must ever be as pressing and urgent as the needs of man are varied, incessant, and importunate.

WHAT IS THE SUPPLY OF MONEY?

"Such being the demand for money, what is the supply? It is the total number of units of money in circulation (actual or potential) in any country.

"The force of the demand for money operating against the supply is represented by the earnest, incessant struggle to obtain it. All men in trades and occupations, are offering either property or services for money. Each shoemaker in each locality is in competition with every other shoemaker in the same locality, each hatter is in competition with every other hatter, each clothier with every other clothier, all offering their wares for units of money. In this universal and perpetual competition for money, that number of shoemakers that can supply the demand for shoes at the smallest average price (excellence of quality being taken into account) will fix the market value of shoes in money; and conversly, will fix the value of money in shoes. So with the hatters as to hats, so with the tailors as to clothes, and so with those engaged in all other occupations as to the products respectively of their labor.

NO ALTERNATIVE FOR MONEY.

"The transcendent importance of money, and the constant pressure of the demand for it may be realized by comparing its utility with that of any other force that contributes to human welfare.

"In all the broad range of articles that, in a state of civilization, are needed by man, the only absolutely indispensable thing is money. For everything else there is some substitute—some alternative; for money there is none. Among articles of food, if beef rise in price, the demand for it will diminish, as a certain proportion of the people will resort to other forms of food. If, by reason of its continued scarcity, beef continue to rise, the demand will further diminish, until finally it may altogether cease and center on something else. So in the matter of clothing. If any one fabric becomes scarce, and consequently dear, the demand will diminish, and if the price continue rising, it is only a question of time for the demand to cease and be transferred to some alternative.

"But this can not be the case with money. It can never be driven out of use. There is not, and there never can be, any substitute for it. It may become so scarce that one dollar at the end of a decade may buy ten times as much as at the beginning; that is to say, it may cost in labor or commodities ten times as much to get it, but at whatever cost the people must have it. Without money the demands of civilization could not be supplied."

As population increases it is plain that there will be a proportionate increase in the demand for money. In estimating the increase necessary to keep pace with the increase of population, we must first ascertain whether there was an adequate supply of money at the period from which the increase of population is calculated. To illustrate: If there was in 1880 an ample supply of corn and beef produced within the United Stares to supply the wants of our whole population, we can readily tell how much of these products will be required by our people in

the year 1890, by first ascertaining what the increase of our population has been during the ten years. But let us suppose that there was a scarcity of these articles in 1880, In that event it is clear that the increase, in order to supply our wants would have to be greater in proportion than the increase in population. This is as true when applied to the supply and necessary increase of money as when applied to anything which money will buy. Therefore, in determining the quantity of money now necessary to be added to the present circulation, it is necessary to recur to some period in our history when our circulating medium was conceded to be ample to supply the demand. If this thought be lost sight of we are without solid data upon which to proceed. If the supply was inadequate to start with, the deficiency must first be made up before the necessary increase can be intelligently calculated. Legislators and many writers upon finance seem to have lost sight of this practical business truth. If a law should be passed to-day making it the imperative duty of the Secretary of the Treasury to issue and place in circulation annually, an additional amount of money equal to the future estimated annual increase in population, the present depressed condition of business and trade would extend right along through future years. If the supply is inadequate now and the money should only be increased in equal amount per capita to meet the wants of the people who are hereafter to be added to our population, it would remain inadequate still.

No intelligent person will deny that if the inhabitants of a country increase in numbers, the demand for all of the necessaries of life will proportionately increase. If the plane of living shall be materially advanced the demand for money may properly and normally increase much faster than the increase in population. If the wants of the peo-

ple at a given period were properly supplied, and there has occurred since that time an increase in population equal, for example, to ten per cent., is it not clear that there is needed for consumption ten per cent. more of all the things necessary to human comfort? Senator Jones has just correctly taught us that to secure these things the demand must first be made on money. Why then is it not clear that there should be ten per cent. more money? Let us apply these plain principles of common business sense to the present financial situation in the United States. In order to do so it is, as before intimated, essential that we shall start with our population at a period when there was an ample supply of money in circulation, and then trace briefly the fiscal history of the country and the growth of population down to the present period. If the reader will take our arm for a few moments we will, in imagination, forget the busy scenes of 1891, and shutting our ears to complaints from every quarter, take a stroll back to a period filled with sharp contrasts of joy and weeping, gladness and melancholy, and yet a day which was sweetly welcome to good people everywhere—to both victors and vanquished.

Reader, we are standing amid scenes more than twenty-five years agone—standing at the close of our fratricidal war. Do you recognize the surroundings? Listen! Can you not catch the clear note of the bugle singing its sweet concord of peace? Let us unloose our shoe-latchets, for we are upon sacred ground.

We will now first take a census of the people and learn how many escaped the carnage of that fierce, unequal struggle.

The information is easily obtained and is of the greatest significance. We find there were 25,000,000 people, in round numbers, residing in the Northern states at the close

of the war, 1865. In the Southern states about 10,000,000. Total about 35,000,000.

Let us next look into the economic situation at that time in these respective sections of the Union. In referring to the tables giving the prices of the various commodities which enter into daily consumption, we ascertain that the whole range of prices ruled high at that time. In the North the people were exceptionally prosperous notwithstanding the terrible strain of war. They were also free from debt, and this fact conspired to render the financial situation extremely felicitous. The Administration, through the Secretary of the Treasury, congratulated the country upon the fact that the people were "comparatively free from debt." No well informed person will dispute the fact that the whole circulating medium then in the United States was confined in its circulation to the Northern States. The South was desolate, her people destitute and without money.

It is highly important that we shall know how much money of the various kinds then in use, was in circulation among the 25,000,000 people at that period. To set this question at rest, we have selected a witness who is sharply at variance with the school of political economy to which the author of this book belongs—a gentleman who is too well informed to misquote the record and too cautious in his methods of expression to exaggerate the situation against himself. We refer to Mr. John Jay Knox, late Comptroller of the Currency, whose ability and opportunities for information are surpassed by none.

In a speech which he delivered before the Convention of the American Banker's Association, at Pittsburgh, Pa., October, 1887, Mr. Knox said:

"About four years after the war had commenced, in August, 1865, the public debt amounted to $2,845,907,426; and

included in this huge mountain of indebtedness there were $1,540,000,000 of treasury notes, either payable on demand or bearing interest, of which more than $1,500,000,000 was a legal tender. If temporary loans, payable in thirty days and certificates of indebtedness, payable one year after date, should be included with treasury notes, the whole would amount to considerably more than three-fifths of the $2,846,000,000 of the debt of the country. Of this debt there were $830,000,000 of legal tender seven-thirty notes, $217,000,000 of compound interest six per cent. legal tender notes, $27,000,000 of fractional currency and $433,000,000 of demand legal tender notes. Proceedings of Con., pages 20–21.

The suggestion of Mr. Knox, concerning temporary loans and certificates of indebtedness, payable one year after date, are pertinent and stamp his entire statement with fairness and accuracy. It is also suggestive to the business mind that they should be so included, inasmuch as they constituted a part of the circulating obligations of the Government. Now, three-fifths of the public debt ($2,845,000,000) would give us, according to Mr. Knox, over $1,700,000,000, of various kinds of circulating Government paper currency, exclusive of National bank notes ($146,000,000) solvent state bank paper ($58,000,000) being then still held by the people throughout the North; and exclusive also of $100,000,000 of gold and silver coin then in the country and which circulated to the extent at least of paying customs duties and interest on the public debt.

When these facts are understood, it is not hard to comprehend why prosperity was so universal in the North at period under consideration. Two billions of money in use among 25,000,000 people would of course make them prosperous.

Let us now contrast the conditions of 1865 with the situation at the present time. We have in 1892 in round

numbers, 64,000,000 people. We are neither vexed by the scourge of pestilence nor the havoc of war, but are free from both. Whatever the amount of our circulating medium may be it is scattered throughout all our states and territories and is shared in some degree by every community in the land. How much have we? Let the Secretary of the Treasury answer, in the first instance, and then we will mention some things which are left out in the Secretary's calculation. In his statement sent out January 1, 1892, this officer said we had at that time—exclusive of various kinds of money then locked in the treasury—$1,588,781,729. This is about $400,000,000 less than the people of the Northern states held a quarter of a century ago.

Now what is the situation revealed? The answer is startling. Twenty-seven years ago 25,000,000 people all told, were employing in their current business about $2,000,000,000 of various forms of money. To-day, 64,000,000 people are restricted by law and bank manipulators to the use of $1,588,000,000! Our money-using population, it will be seen, has increased one hundred and fifty per cent since 1865, while our money has decreased, according to the Secretary's own showing, twenty per cent! This is the most stupendous crime of the age. The money using population having increased one hundred and fifty per cent, has not the demand for all things necessary to their comfort also increased in the same ratio? As the condition of our internal trade is not one of barter, and in order to procure these comforts, demand must first be made upon money, who will be heard to say that the demand for money has not increased one hundred and fifty per cent also? Does the reader comprehend the magnitude of the unutterable wrong which has been committed against the people of this country? And has he opened his

eyes to the ghastliness of the picture? Do we realize that these 39,000,000 people all need money as sorely as the 25,000,000 did at the close of the war, and yet that not one dollar has been provided for them? That on the contrary, the sum total of the money in use a quarter of a century ago has been reduced twenty per cent? These 39,000,000 have entered society as competitors along with the 25,000,000 who were here before them, for the little money that is left in circulation. Is it any wonder that money has become valuable and hard to get—too valuable to be employed in legitimate business and fit only to enable its owner to drive hard and unconscionable bargains?

The foregoing observations explain the universal condition of debt which to-day is cursing the whole country with blight and mildew, driving independence, thrift and hope from the abodes of our people.

But some captious or conscientious critic may insist that Mr. Knox has overestimated the amount of money in circulation at the close of the war. That the $830,000,000 of seven-thirties, should be excluded which would reduce the amount in circulation to say $1,200,000,000. We shall examine that claim further on. For the present let us suppose that the criticism is well founded. How would the account then stand? This would still leave in circulation $48 per capita for the 25,000,000 people using the money at the close of the war, while to-day, the Secretary only claims that we have $1,588,781,729, or about $25 per capita for the present population. Thus we see that taking our critic upon his own grounds, we have only a little over half as much money to the individual as we had a quarter of a century ago. It is unreasonable to look for industrial and business prosperity under such conditions. Every faculty of the well-informed mind and all the in-

stincts of human nature conspire to demand the application of some adequate remedy to this alarming situation.

But the seven-thirties should not, nor can they properly be excluded in estimating the amount of currency in circulation at the close of the war. This will conclusively appear from the following considerations:

1. They were "treasury notes," and were so denominated in the law. (See Act June 30, 1864, and Act March 3, 1865.) They were issued "in lieu" of bonds and made legal tender at their face value, exclusive of interest, and could be paid to any creditor willing to receive them at par, including interest. (See 2 Act June 30, 1864, Revised Statute, Sec. 3590.) These notes were gladly received by all classes of people. They were paid to the army by Government pay-masters and went to swell the volume of our currency. Secretary Fessenden, in his report to Congress, December 6, 1864, page 206, speaks of the effort which he had made to raise funds to pay the amount "due our brave soldiers" and says:

"More fully to accomplish his purpose, the Secretary resolved to avail himself of a wish expressed by many officers and soldiers, through the pay-masters, and offered to such as desired to receive them, seven-thirty notes, of small denominations. He was gratified that these notes were readily taken in payment to a large amount, our gallant soldiers, in many instances, not only receiving them with alacrity, but expressing their satisfaction at being able to aid their country by loaning money to the Government."

Again, on page 209 of the same report, Secretary Fessenden further says: "The seven and three-tenths notes authorized by the act of June 30, 1864, and now offered to the public, present as many advantages as any form of currency security, uniting a high rate of interest with convertibility."

Secretary McCulloch in his report on the finances, December 4, 1865, page 184, states that maney of the seven and three-tenth notes of small denominations were in circulation as money, and that the whole issue, $830,000,000 tended to swell the inflation. He further states in the same report that these notes were distributed in every part of the country. They were issued in three series dated August 15, 1864, June 15, 1865 and July 15, 1865. Forty-four millions were in denominations of fifty dollars; one hundred and thirty-seven millions, in one hundred; two hundred and twenty-eight millions, in five hundreds; three hundred and seventy millions in one thousands; and about fifty millions in five thousands. They were payable, principal and interest, in lawful money, and it was so plainly stated on the face of the notes.

Mr. John Jay Knox in his work entitled "United States Notes" and published in 1885, on page 85, gives the following table of the various kinds of currency obligations outstanding August 31, 1865:

United States legal tender notes	$ 433,160,569.00
Compound interest legal tender notes	217,024,160.00
Five per cent legal tender notes	33,954,230.00
Seven-thirty notes	830,000,000.00
Fractional currency	26,344,742.51
Temporary loans	107,148,713.16
Certificates of indebtedness	85,093,000.00
Total	$1,732,725,414.67

When we add the National bank notes, the State bank notes still in circulation, and the available specie then in country and which had a qualified use, we again reach the grand total of about two billions of dollars of circulating medium as before stated in this chapter.

Where these notes were not paid to soldiers, they were paid out as we have abundantly demonstrated, in current

Government business and thus found their way into the channels of trade. The fact that they were drawing seven and three-tenths per cent interest caused them to rapidly pass into the hands of capitalists, but in doing so they displaced other forms of currency which passed back to the people, while the moneyed classes used the interest bearing notes in financial circles.

PRESENT CIRCULATION.

We have not yet seen the picture in all of its astonishing and appalling outlines. We assert that the statement of the President of the United States made in his annual message to Congress, December, 1891, that we had then in circulation, outside of the money retained in the Treasury, $1,578,262,070, and the statement of the Secretary, January 1, 1892, that we had at that time $1,588,000,000 are inaccurate and misleading in the extreme. The people want to know how much of this money is in actual circulation or available for that purpose, and are not asking for an exhibition of book-keeping. If any portion of it is not in circulation, inasmuch as it is their own money, they are entitled to know just where it is and who has it in keeping.

If the money is circulating actively they want to know it; if it is stagnant and withheld either by law or the volition of those who are handling it, they wish to know the exact situation. They will search in vain for such information in the President's message or the Secretary's report.

In estimating the amount of money in circulation at the date of the statements, it is safe to rely upon our officials for one fact only—the amount of money in the country outside of the treasury, as shown by the books—nothing more. We must deduct for ourselves, the amount lost, destroyed and worn out during the past twenty-eight years,

the amount hoarded, and the amount held as reserve by the great multitude of banks, in order to get at the real monetary situation. When these items are considered, the $1,588,000,000 will be greatly reduced. The following is believed to be a fair estimate, but is entirely overlooked by the Secretary.

According to Foster, we have	$1,588,781,729
Deduct, paper money lost, destroyed and worn out in twenty-eight years, say	50,000,000
Hoarded—low estimate	25,000,000
Held as reserves by National Banks—see Comptroller's Report, 1889, page 51	460,000,000
Held as reserves by private banks—estimated	250,000,000
Total	$ 785,000,000
Balance in circulation among our 64,000,000 people and available for daily business transactions	803,781,729

The reader must bear in mind that it is the total amount of currency available in the daily current of business that must be considered, rather than the total amount held in the country.

The above calculation is more liberal than the statement made by the Hon. Preston B. Plumb, delivered in the Senate of the United States, during the first session of the Fifty-first Congress.

Mr. R. M. Widney, President of a National bank at Los Angeles, California, made the following startling, and yet, upon examination, we find to be very liberal statements, in a speech which he recently delivered before a banker's convention in that state:

"The total amount owing by all the banking institutions of the United States, (8,055) to depositors in July, 1895, was $4,603,844,157.

Total cash in in all of these banks at the same date was:

Gold coin	$ 99,811,011
Silver, nickels, foreign coin, etc	28,811,478
Paper money	349,694,405
Total	$478,316,694

"Only a fraction over ten cents on the dollar on hand to pay the depositors on demand!

"If gold were the only legal tender, there would be on hand about two cents on the dollar for depositors!

"Or, if gold and silver were combined it would give less than three cents on the dollar!

"By using gold, silver and coin certificates on the treasury of the United States, there would be only about five cents on the dollar in cash for depositors!

"At the same date these banks had loaned out to the people, $3,893,851,799.

"There were then about $957,746,248 (he makes this item too large) scattered in the hands of 64,000,000 people.

"This represents only about twenty-five cents on the dollar for the people to pay on their loans, to the banks alone. But most of the outstanding money is in the hands of parties not debtors to the banks. It may be safely estimated that the people could not pay the banks ten cents on the dollar in cash, neither could the banks pay over ten cents on the dollar to depositors."

These statements of Mr. Widney are all justified by official data. The banks pay no interest to depositors, as a rule, but those who borrow from the banks pay interest in advance in almost every instance. Do not these figures, being beyond dispute, reveal a most phenomenal, absurd and startling business situation? They prove that the banks have loaned out to the people more than twice as much money as the Secretary says is in circulation, and nearly five times as much as our own estimate, given above, shows to be actually in the channels of trade! More still—they establish the fact that the banks are indebted to depositors about three times as much money as the books of the Treasury show can possibly be at

their command. Still more—the reader must remember that these figures relate only to the reciprocal transactions between the people and the banks, and do not include the great and almost illimitable volume of business constantly occurring in daily life, with which the banks have nothing to do.

In view of these facts, which are beyond contradiction, the conclusion is irresistible that the whole country has been reduced to the servitude of debt. We have reached the fatal condition where credit is substituted for money to an extent which makes the capitalist and the usurer the masters of society. The yoke is galling and exceedingly hard to cast off. Nations before our day have tried to free themselves from the curse and failed.

The increase of our population, the consequent demands of business and the increased volume of trade imperatively demand an increase in our circulating medium. There is no hope without it. The exactions of creditors and usurers are bringing labor deeper and deeper into debt from year to year.

We have demonstrated that there is a distressing scarcity of money, and this demonstrates the necessity for the full reinstatement of silver as one of the money metals.

It is admitted that gold cannot be obtained to meet the emergency. Why not supply the deficiency, as far as possible, with silver coin? If we should coin all that we can by any possibility reach, it would be like a widow's mite cast into the great charity collection of the world.

The gold and silver product of the world for the past five hundred years is estimated by the very best authority as follows:

Gold	$ 7,240,000,000
Silver	7,435,000,000
Total	$14,675,000,000

Of this sum there is supposed to be in existence to-day in the whole world consisting of coin, bullion and plate, a little over ten billions.

The production of silver in the world for 1888, the latest reliable data—was 125,830,000 fine ounces. Its market value with the law against it, was $117,651,000. Coining value $162,680,000. The world's product of gold for the same year was $118,800,000.

The United States, as stated by the Director of the mint, produced 50,000,000 fine ounces out of the 117,651,000 produced throughout the earth.

The annual consumption of silver in the arts in the United States, is estimated by the Director of the mint, to be	$ 8,760,000
In the rest of the world	8,840,000
Total annual consumption	$17,600,000

The annual consumption of gold for the same purpose throughout the world, according to various mint reports, ranges from $30,000,000 to $46,000,000 or an average of about one-third of the world's annual product.

The use of silver is not experimental. It has been used as money without detriment from the twilight of history down to the present effulgent era of human advancement. It has had the sanction of all the great names of history —from Abraham, of Ur, of the Chaldees, to Abraham Lincoln, of our own day.

WHY WAS SILVER DEMONETIZED?

There was no pretense that difficulty existed in maintaining the relative value of the two metals, at the established ratio of 15½ to 1 in Europe and 16 to 1 in America. An examination of the price tables prior to 1873, convinced the wealthy and aristocratic classes in the old world, and those who desired to pattern after them in this, that the

value of their annuities, salaries and fixed incomes, were diminishing in purchasing power. They also saw that the spirit of independence and self-reliance among the people, those sturdy virtues which always lead in human advancement—were increasing in the same ratio with the accumulation of property among the masses. In the perverted judgment of these plutocrats, scarcity of money would remedy both difficulties. It would increase the value of their fixed incomes and choke out the rising ambition of the people. Accordingly monetary commissions were appointed by the various European governments to inquire into the situation.

In the French report of 1869, the arguments on both sides were clearly set forth. The official résumé of the commission gives them in full. In behalf of a single gold standard it was said:

"The rise in price which has taken place within twenty years in a great number of articles of merchandise is evidently due to many causes, such as war, bad harvests and increase in consumption; but it is very probable that the depreciation of the precious metals has contributed to it since there has been a striking coincidence between the rise of prices and the production of the new mines of gold and silver. The annual production of the two metals, which was only $80,000,000 in 1847, now exceeds $200,000,000. It has nearly tripled, and it is to see that the real value of metals has diminished. It is difficult to estimate exactly what the diminution is, but whatever it may be it demands the attention of Governments, because it affects unfavorably all that portion of the population whose income, remaining nominally the same, undergoes a yearly diminution of purchasing power. As Governments control the weight and standard of money, they ought so far as possible to assure its value. And as it is admitted that the tendency of the metals is to depreciate, this tendency should be arrested by demonetizing one of them.

In behalf of the double standard it was replied as follows:

"Many economists argue that the precious metals having become very abundant, have lost 10 or 15 per cent of their value, and that the situation must be redressed by making money scarcer by demonetizing silver. To this it may be answered that the great discoveries of gold of the last twenty years have injured nobody. The new mass of gold, spreading over the whole world, has found employment in stimulating all forms of business, and as a consequence, the value of gold has fallen very little. According to Mr. Newmarch, the mass of gold and silver has augmented 3 per cent per annum, while the mass of exchanges has augmented more than 3 per cent per annum, so that the equilibrium has been maintained. And the present is an especially inopportune time to demonetize silver, because the annual production of gold has been falling off for several years. It was $200,000,000 in 1853, and it is now not more than $140,000,000. What will happen to the civilized world if silver is demonetized and if gold shall then fail?"

WHY ENGLAND ADHERES TO THE GOLD STANDARD.

England demonetized silver June 22, 1816. The law in force prior to that date, 18 Chas., 2, C. 5, allowed free coinage of both metals without charge. The act of 1816, which struck down silver, was passed at a time when England was without either gold or silver and was using paper money exclusively—that money with which she had just successfully fought the Napoleonic wars. But her statesmen, who always rule in the interests of the nobility and the wealthy classes, were then preparing to reach specie payments only three years ahead.

Lord Liverpool procured the passage of the law of 1816 which secured the single gold standard in that country. It was intended to put a stop to the unexampled prosperity of the people which had resulted from an abundant legal tender currency. This act supplemented by the act to resume specie payments, forced the people of Britain back to a restricted gold currency. Abundant paper money had

not only enabled Great Britain to overthrow Napoleon, but it had made her the "work shop of the world," and hence the great creditor Nation of the earth. Scarce and dear money, her statesmen understood, would force down wages at home and cheapen the price of her manufactures. This would make her the market of the nations and those who dealt with her would become borrowers while she would be the lender.

Fortunately we are not left in doubt concerning this. The royal commission appointed by England in 1886 to inquire into the relative value of the two metals expressly state (P. 90, Part 2, Section 128):

"It must be remembered, too, that this country is largely a creditor country, of debts payable in gold, and any change which entails a rise in the price of commodities generally, that is to say, a diminution of the purchasing power of gold would be to our disadvantage."

In a speech delivered by Sir L. Playfair, in Parliament, April 1890, the following open avowal was made:·

"The true policy of England as the chief creditor Nation of the world was to keep perfect independence, and to refuse participation in any entangling conference on our monetary system."

How sorely the English people are pressed for circulating medium under the exclusive gold basis, will fully appear from the following statement made by Playfair in the same speech:

"The liabilities of the banks of Great Britain to the public amounted to £621,000,000, or about the amount of the National debt of England; but the amount of coin or bullion to meet this liability was only £35,000,000; or deducting from each side of the account £8,000,000 locked up in the Notes Department of the Bank of England, it was £27,000,000; or only 4½ per cent of liabilities."

The same motives actuated Germany in her cruel crusade against silver in 1871–3. It was in the interest of that portion of her people who had fixed incomes, and further to avenge herself upon France. But the blow fell upon her own head. Times grew to be so hard in Germany, immediately after she struck down her silver, that 1,546,000 persons emigrated from that country between the years 1873 and 1889, while illegitimacy and suicides increased at a fearful ratio during the same period.

MOTIVE IN THE UNITED STATES.

In 1867, the international conference was held in Paris. Samuel B. Ruggles, a member of the New York Chamber of Commerce, was a delegate to that conference. Mr. John Sherman, then Chairman of the Senate Finance committee, was in Paris at the same time though he did not attend the conference in person. On the 17th of May, the conference considered the "*possibility of a common unit of money.*" Mr. Sherman's views in favor of a single gold standard were submitted to the conference by Mr. Ruggles. Mr. Sherman was not accredited to that conference by the people of the United States, nor had he any right whatever to represent them there. For what purpose was he in Paris? The war was just over and his statesmanship was needed at home to build up the broken fragments of the union and to restore tranquility to society.

One year from the date of this visit to Paris, Mr. Sherman made a report to the Senate in favor of "A single standard exclusively of gold."

In the same year he also introduced Senate Bill 217, to establish a single standard "exclusively of gold," and providing also for the coinage of subsidiary silver on Government account. When we consider that we were then upon an exclusive paper basis, and that we were without gold,

and in fact, have never had from that day to the present, one-third enough gold to transact the business of the country, this is an astounding piece of history.

The act of 1873, which finally demonetized silver, originated, as stated by Mr. Kelley in the House, with the Treasury department. It was engineered through the Senate by Mr. Sherman and through the House by Mr. Hooper, of Massachussets. The bill contains sixty-eight sections and had a deceptive title—"A bill revising the laws relating to mints, assay offices and coinage of the United States." It contained provisions which no party had ever declared in favor of, which had never been discussed in the public prints, concerning which the people were wholly uninformed, and yet a bill affecting directly the welfare of every inhabitant of the republic. It went through the two houses like a thief in the night, making just enough noise to arouse the inmates if they had been awake, and yet not enough to attract the attention of those who were dull of hearing and unduly given to slumber.

While the bill was pending in the House, April 19, 1872, Mr. Hooper, who seems to have had control of it, said:

"The bill was prepared two years ago and has been submitted to careful and deliberate examination. It has the approval of nearly all the mint experts of the country and sanction of the Secretary of the Treasury. Ernest Seyd, of London, a distinguished writer and bullionist, is now here and has given great attention to the subject of mints and coinage, after examining the first draughts of this bill made various sensible suggestions which the committee accepted and embodied in the bill. While the committee take no credit to themselves for the original preparation of this bill, they have given it the most careful consideration and have no hesitation in unanimously recommending its passage as necessary and expedient."

The character of Mr. Seyd's "sensible suggestions which the committee accepted and embodied in the bill," may be

understood from the following, which we take from the masterly speech of Senator Daniel, of Virginia, delivered in the United States Senate, May 24, 1890, page 5438.

"I take from the *Bankers' Magazine* of August, 1873, a little extract. It says:

"In 1873, silver being demonetized in Germany, England and Holland, a capital £100,000 ($500,000) was raised, and Ernest Seyd, of London, was sent to this country with this fund as the agent of foreign bondholders to effect the same object."

"This is from one of the most respectable organs of the money interest of the United States, and it announces the fact that England and Holland furnished a fund of half a million dollars and sent an emissary over to America to procure a result which was effected in the manner stated."

The character of the suggestions made by Mr. Seyd which were not "included in the bill" can readily be conjectured.

Such are some of the disgraceful incidents connected with the demonetization of silver in this country. Much more can and should be told, but to do so would carry us beyond the purpose of this chapter. The most wonderful consideration in connection with the whole matter is that the suffering people have never as yet properly rebuked the criminals who perpetrated the outrage nor suitably avenged the crime.

The country is familiar with the struggle to reinstate silver, and they are aware of the uniform hostility of every administration to the faithful enforcement of the act of February 12, 1878. This act provided for the coinage of not less than two million dollars worth of silver bullion per month and not more than four million dollars worth. The country is aware that the Secretary has uniformly coined the minimum instead of the maximum contemplated by the law.

So much of this act as required the Secretary to purchase and coin the bullion was repealed by the Fifty-first Congress, and another act was substituted which empowers the Secretary to purchase 4,500,000 ounces of pure silver per month, paying therefor in Treasury notes issued for the purpose, and redeemable upon presentation in coin. After July 1, 1891, the Secretary is clothed with discretion to coin or not to coin the bullion purchased, as he may determine. Under this law he is an absolute monarch concerning the coinage of silver, and an unfriendly one at that. Congress and the people have abdicated in his behalf. He is now exercising his discretion, just as it was expected he would, against the people.

NOTHING BUT GOOD FROM FREE COINAGE.

It will be seen that the present silver law provides for the purchase of about the entire present annual output of American silver, and yet its effect upon current business is scarcely discernable. After deducting the amount annually consumed in the arts in our own country, the American mines cannot more than meet the demands of the law.

One of the statements constantly urged to deter the American people from fully remonetizing the white metal is, that we shall be flooded with silver; that the circulating medium would be unduly inflated with cheap money and gold would depart from us. The following extract which we take from the able speech of Senator Jones, before referred to, covers this point with such clearness that we cannot refrain from inserting it here:

SHALL WE BE FLOODED WITH SILVER?

"We are told that if silver is given free access to the mints we shall be flooded with it from all parts of the

world. Does anybody show where the flood of silver is to come from? Where are the reservoirs that contain it? Not in England, where it is difficult for the people even to get a sufficiency of it for small change to transact the business of the country; not in Germany, where the scarcity of money was so pressing that the Government had to abandon the idea of selling silver. Though the stock in France is large her people will never give it up. Silver has been the "shield and buckler" of the French Republic. All she has is coined at the ratio of fifteen and one-half ounces of silver to one of gold, and its shipment to this country would involve a loss to France, not only of the three per cent difference between the French relation (15½ to 1) and ours (which is 16 to 1), but of three per cent additional in the cost of gathering and shipping it. And after that could only exchange them for Treasury notes. The silver stock in India and the Orient is performing indispensable duty as money, and no "flood" of it can be expected from that quarter. From time immemorial India has been absorbing all the surplus silver of the world. She has never got so much as to appease her appetite for more. So insatiable is her desire for that metal that she has long known as the "Sink of Silver." China has not a piece of the metal that she can dispose of. Mexico has no stock whatever of silver on hand, except the limited number of coined pieces forming her moderate money circulation, and not a dollar of it can be spared. No country of Central or South America has any surplus silver. Every piece of coined silver in every country in the world is part of the monetary circulation of that country, and even when of short weight and classified as a mere "token" is passing at par a full valued money. No gain could possibly accrue, therefore, to the owners of coined silver anywhere by shipping it to this country for any purpose, and there is no surplus stock of bullion anywhere.

"If anybody doubts this statement let him make the attempt in all the money centers of the world to buy from accumulated stock even $5,000,000 worth of it. He will fail to get it in London, Paris, Berlin, Calcutta, New York, or San Francisco, or in all combined. There is no source from which to get silver except the current supply from

the mines, and whatever that is now it is not likely ever greatly to increase. The occupation of mining is not attractive to many, and in the nature of the case the number who follow it will always be comparatively few. The Argonauts of old were but a small band of hardy adventurers; those of the new era are destined to bear no larger proportion to the population. But even were this not so, nature herself draws the line. To the eye of the experienced prospector silver mines are as discernable on the surface of the earth as are mountains, and the world has been explored in vain for further "finds." Those who talk, therefore, of "floods" of silver coming here for coinage simply show their ignorance of existing conditions."

But the advocates of the exclusive coinage of gold constantly assert that the silver dollar is under value—is a "cheap dollar." It was not "cheap" when it was demonetized and would not be again if reinstated. It was three per cent premium over gold as the subjoined tables will prove. Its bullion value is less than its coined value for the simple reason that it is stricken down by law—stricken down by a lot of business assassins who wish to accumulate wealth by improper methods.

Driven from this field, the enemies of silver declare vehemently that free coinage is in the interest of bullion owners; that it would be equivalent to a gift to bullion holders equal to the difference between the bullion value and the coin value of the metal. This we deny.

When the owner of bullion takes it to the mint and has it coined into dollars, the burden is then upon him to spend it. This will increase the amount of money in circulation, and this in turn will stimulate the price of everything on the market. When the holder of the new coin undertakes to purchase labor and supplies he will find that the prices of these commodities have advanced also; and so the laborer and producer will take the lion's share of the value

which has been added to silver by its coinage. The laws of trade are equitable if allowed to operate normally.

THE FUTURE OF SILVER.

From the Argonaut, September 1, 1890.

"Under this heading the London *Economist* of August 16, publishes a letter from Ottomar Haupt, dated Paris, August 14, 1890. As M. Haupt is acknowledged to be one of the best authorities in Europe in monetary statistics and financial affairs, his figures of the past can be relied upon, however we might regard his speculations in the future.

"The letter is some two columns in length, but I shall only give the first and a portion of the closing paragraphs. I have transposed his kilograms into ounces, as more familiar to us of America:

"At the present moment when the new American silver bill comes into force, and when consequently a fresh prospect opens itself to the whole silver question, it is of great importance to inquire what the future of the white metal will be—of course the near future only, as in the course of time events may present themselves which may once more adversely influence the current of things as viewed from a standpoint based upon the experience of the day.

"This is the way in which I estimate the yearly absorption of the white metal for, say, three or four years to come.

Countries.	Ounces Fine Silver.
United States	54,000,000
India	41,600,000
China	12,800,000
Japan	7,680,000
Cochin, China	640,000
Straits Settlements	3,200,000
England and Colonies	3,200,000
Austria	3,840,000
Servia and Bulgaria	1,920,000
Balance remaining in Mexico	1,600,000
	130,480,000
Estimated consumption in the arts, etc	17,600,000
	148,080,000

"In other words, about 150,000,000 ounces of fine silver will have to be bought in some way or other in the different

markets of the world, and, so far, no other source is left open for that purpose than the actual production of the mines.

"At any rate, neither will Germany sell any more of her silver thalers, nor Italy her demonetized Bourbonian piastres. As regards the other countries, none will move in the silver question. Their coins of the five-francs type represent the metal in the market at much above 61 pence per ounce standard. The American mint price works out at $1.29, equal to 59 pence; to-day (August 14) we are about 51 pence. Who will sell with such prospect before him?

"A given quantity of say 150,000,000 ounces of fine silver is required every year in the near future. What will be the production of the metal available in the market? Why, according to the best statistics published, all the mines of the world did not produce more than 76,000,000 ounces in 1887, 110,000,000 in 1888, and 125,000,000 in 1889. Where is the balance of say 16,000,000 to come from?

"While on the subject it may be of interest to give the amount of gold and silver in the great National depositories of Europe at latest date (August 21, 1890), according to the *Financial Chronicle* of New York, August 23:

Bank of	Gold.	Silver.
England	£22,653,225	....
France	52,668,000	£50,757,000
Germany	27,512,667	13,756,333
Austria Hungary	4,475,000	16,536,000
Netherlands	4,808,000	5,358,000
Belgium	2,823,000	1,412,000

"Probably about all of this gold and silver in the different banks is coined money, most of which has been in use.

"I have in this article given the figures of production and absorption as agreed upon by those who are considered the most capable of rendering them. It is for others to prophesy what shall be the future, but it certainly looks as though the prospect for "the white metal" was very flattering."

Thus it is seen that the apprehension of a disastrous influx of silver is unwarranted and silly. It is excited by interested parties and is without a single fact in the financial world to support it. The quanity of gold in the United

States is but trifling. If every dollar of it should be displaced by silver the change would never be felt or noticed by the people except for the better. Once here, silver would remain with us like our greenbacks, constituting a part of our home currency and would perform some of the money work of the country which the sluggard gold refuses to do.

If foreign silver comes hither, will it be thrown into our lap as a gift, or will it, if it comes at all, come to pay for our wares and our produce? If coined at our mints and expended among our people, we want to know, with all candor, who is going to be injured?

OUR FOREIGN TRADE.

Another argument constantly made use of by the advocates of the single gold standard is that without gold we can not carry on our trade with foreign countries.

This country now produces nearly everything which it consumes; and the balance of trade for about fifteen years has been largely in our favor; and when we consider the energy of our people, the character of our country and the variety of its products, it is clear that this state of affairs will increase rather than diminish—particularly as between this and gold using countries.

But nations, as a rule, buy what they want with their own products. There can be nothing at any time but a temporary balance to be paid in bullion, and this can always be met by the yield from our own mines. No country has ever experienced any difficulty in carrying on its foreign trade on account of the character of its money system. England found no difficulty during her twenty-five years of specie suspension, nor did the United States during the period of our exclusive paper money. On the contrary both countries prospered in their foreign trade beyond parallel.

This view is supported by the very highest authority.

Prof. Cairnes, Professor of Political Economy in the University of London, in his able work on "Some Unsettled Questions in Political Economy" (1874) says:

"It appears to me that the influence attributed by many able writers in the United States to the depreciation of the paper currency as regards its effects on the foreign trade of the country is, in a great degree, purely imaginary. An advance in the scale of prices, *measured in gold*, in a country, if not shared by other countries, will at once affect its foreign trade, giving an impulse to foreign importations and checking the exportation of all commodities other than gold. A similar effect is very generally attributed by American writers to the action on prices of the greenback inconvertible currency.

"But it may easily be shown that this is a complete illusion. Foreigners do not send their products to the United States to take back greenbacks in exchange. The return which they look for is either gold or the commodities of the country; and if these have risen in price in proportion as the paper money has been depreciated, how should the advance in paper prices constitute an inducement for them to send their goods hither? The nominal gain in greenbacks on the importation is exactly balanced by the nominal loss when those greenbacks came to be converted into gold or commodities. The gain may, in particular cases, exceed the loss, but, if it does, the loss will also, in other cases, exceed the gain. On the whole, and on an average, they cannot but be the equivalents of each other."

But it is clear from the facts laid before the reader in this chapter that the outside world has no silver to spare. It is on the stretch for more. The average annual product of gold and silver combined of all the mines of the world, amounts to less than twenty cents per inhabitant per year.

Free coinage then, will afford no adequate remedy for the financial distress under which this country is suffering. It is clear that we cannot command enough silver to afford relief. It should be welcomed as a valuable auxiliary to our currency. It can never be more. It should be

allowed to take its place without hindrance in our trinity of finance which, in the present state of public enlightenment, should consist of gold, silver and full legal tender paper, issued in sufficient quantity to conduct the current business of the country on a cash basis.

The following tables which we take from a speech of the Hon. John P. Jones, to which we have several times had occasion to refer, are fraught with information of great value to the student of economic science:

Table showing the ratio of gold and silver in various countries of the world up to the Christian era.

B. C.	RATIO.	AUTHORITIES.
1600	1 to 13.33	Inscriptions at Karnak; tribute lists of Thutmosis. (Brandis.)
708	1 to 13.33	Cuneiform inscriptions on plates found in foundation of Khorsabad.
	1 to 13.33	Ancient Persian coins; gold darics at 8.3 grams = 20 silver siglos, at 5.5 grams.
500	1 to 13.00	Persia. Darius. Egyptian tribute. Herod. III, 95. (Bœckh, page 12.)
490	1 to 12.50	Sicily. Time of Gelon. "At least" 12.50. (Bœckh, page 44.)
470	1 to 10.00	Doubtful. Asia Minor. Xerxes's treasure. (Bœckh, page 11.)
440	1 to 13.00	Herodotus' account of Indian tributes. 360 gold talents= 4,680 silver.
420	1 to 10.00	Asia Minor. Pay of Xenophon's troops in silver darics. (Anab.; Bœckh, page 34.)
407	1 to ——	Spurious and debased gold coins at Athens. (MacLeod, Polit. Econ., page 476; Bœckh, page 35.)
400	1 to 13.33	Standard in Asia, according to Xenophon.
400	1 to 12.00	Standard in Greece, according to "Hipparchus"; attributed to Plato.
400	1 to 12.00	Various authorities adduced by Bœckh.
400	1 to 13.50	Various authorities adduced by Bœckh.
404–336	1 to 12.00	Values in Greece from the Poloponnesian war to the time of Alexander, according to hints in Greek writers.
	1 to 13.00	Values in Greece from the Poloponnesian war to the time of Alexander, according to hints in Greek writers.
	1 to 13.33	Values in Greece from the Poloponnesian war to the time of Alexander, according to hints in Greek writers. There were variations under special contracts—unit the silver drachma.
340	1 to 14.00	Greece. Time of Demosthenese. (Bœckh, page 44.
338–326	1 to 11.50	Special contracts in Greece.
343–323	1 to 12.50	Egypt under the Ptolemies.
300	1 to 10.10	Greece. Continued depression of gold, caused by great influx under Alexandria.
207	1 to 13.70	Rome. (Bœckh, page 44.) Gold scriptulum arbitrarily fixed at 17.143 for 1.
100	1 to 11.91	Rome. General rate of gold pound to silver sesterees to date.
58–49	1 to 8.93	Rome. Continued depression of gold, caused by influx of Cæsar's spoil from Gaul. [N. B.—Cæsar's headquarters were at Aquileia, at the head of the Adriatic, where there was also a gold mine, which at this period became very prolific.]
50	1 to 11.90	Rome. "About the year U. C. 700," the rate was 11 19-21. (Bœckh, page 44.)
29	1 to 12.00	Rome. Normal rate in the last days of the republic.

Table showing the ratio of gold and silver in various countries of the world from the opening of the Christian era to the discovery of America.

A. D.	RATIO.	AUTHORITIES.
1-37	1 to 10.97	Rome Rate under Augustus and Teberius.
37-41	1 to 12.17	Rome. Reign of Caligula.
54-68	1 to 11.80	Rome. Reign of Nero.
69-79	1 to 11.54	Rome. Reign of Vespasian.
81-96	1 to 11.30	Rome. Reign of Domitian.
138-161	1 to 11.98	Rome. Reign of Antoninus.
		The silver coinage much debased, consequently the ratio of the metals pure was about 1 to 11.
312	1 to 14.40	Byzantium. Reign of Constantine. Arbitrary.
438	1 to 14.40	Byzantium and Rome. Theodosian code. Arbitrary.
864	1 to 12.00	Probable ratio, as shown by the Edictum Pistense, under the Carlovingian dynasty.
1260	1 to 10.50	Average ratio in the commercial cities of Italy. Local or doubtful.
1344-1660	1 to ——	England. Numerous mint indentures given in McLeod's Political Economy, page 475. The ratio, except when fixed arbitrarily and in violation of market price, varied between about 1.12 and 1.14 during the two hundred and fifty-seven years included in this period.
1351	1 to 12.30	Ratio in North Germany, as shown by the very accurate rules of the Lubeck mint, corroborated in the main by the accounts of the Teutonic order of Knights, averaged in periods of forty years.
1375	1 to 12.40	
1403	1 to 12.80	
1411	1 to 12.00	
1451	1 to 11.70	
1463	1 to 11.60	
1455-1494	1 to 10.50	Ratio according to the accounts of the Teutonic Knights. As the ratio fixed in England by numerous mint indentures from 1465 to 1509 was about 1.12, this German ratio is considered local or doubtful.

"It will thus be observed that during the one thousand four hundred and ninety-two years from the coming of Christ to the discovery of America, silver never went below the ratio of 14.40 to one of gold.

"The relations which the metals have borne to each other since the discovery of the New World will appear from the following:

Table showing the relative values of gold and silver in the various countries of the world from the discovery of America to 1680.

A. D.	RATIO.	AUTHORITIES.
1497	1 to 10.70	Spain. Reign of Isabella. Edict of Medina. Local.
1500	1 to 10.50	Germany. Adam Riese's Arithmetic. Local or doubtful.
1551	1 to 11.17	Germany. Imperial mint regulations. Arbitrary or local.
1559	1 to 11.44	German Imperial mint regulations.
1561	1 to 11.70	France. Mint regulations.
1575	1 to 11.68	
1623	1 to 11.74	Upper Germany. Mint regulations.
1640	1 to 13.51	France. Mint regulations. Transition period.
1665	1 to 15.10	France. Mint regulations.
1667	1 to 14.15	Upper Germany. Mint regulations. Doubtful.
1669	1 to 15.11	Upper Germany. Mint regulations.
1679	1 to 15.00	France. Mint regulations.
1680	1 to 15.40	

Table showing the ratio of silver to 1 of gold from 1687 to the demonetization of silver by Germany and the United States, and the closing of the mints to its free coinage.

[From the Report (1890) of the Director of the U. S. Mint on the Production of the Precious Metals in the United States.]

YEAR.	RATIO.	YEAR.	RATIO.	YEAR.	RATIO.	YEAR.	RATIO.
1687	14.94	1734	15.39	1781	14.78	1827	15.74
1688	14.94	1735	15.41	1782	14.42	1828	15.78
1689	15.02	1736	15.18	1783	14.48	1829	15.78
1690	15.02	1737	15.02	1784	14.70	1830	15.82
1691	14.98	1738	14.91	1795	14.92	1831	15.72
1692	14.92	1739	14.91	1786	14.96	1832	15.73
1693	14.83	1740	14.94	1787	14.92	1833	15.93
1694	14.87	1741	14.92	1788	14.65	1834	15.73
1695	15.02	1742	14.85	1789	14.75	1835	15.80
1696	15.00	1743	14.85	1790	15.04	1836	15.72
1697	15.20	1744	14.87	1791	15.05	1837	15.83
1698	15.07	1745	14.98	1792	15.17	1838	15.85
1699	14.94	1746	15.13	1793	15.00	1839	15.62
1700	14.81	1747	15.26	1794	15.37	1840	15.62
1701	15.07	1748	15.11	1795	15.55	1841	15.70
1702	15.52	1749	14.80	1796	15.65	1842	15.87
1703	15.17	1750	14.55	1797	15.41	1843	15.93
1704	15.22	1751	14.39	1798	15.59	1844	15.85
1705	15.11	1752	14.54	1799	15.74	1845	15.92
1706	15.27	1753	14.54	1800	15.68	1846	15.90
1707	15.44	1754	14.48	1801	15.46	1847	15.80
1708	15.41	1755	14.68	1802	15.26	1848	15.85
1709	15.31	1756	14.94	1803	15.41	1849	15.78
1710	15.22	1757	14.87	1804	15.41	1850	15.70
1711	15.29	1758	14.85	1805	15.79	1851	15.46
1712	15.31	1759	14.15	1806	15.52	1852	15.59
1713	15.24	1760	14.14	1807	15.43	1853	15.33
1714	15.13	1761	14.54	1808	16.08	1854	15.34
1715	15.11	1762	15.27	1809	15.96	1855	15.38
1716	15.09	1763	14.99	1810	15.77	1856	15.38
1717	15.13	1764	14.70	1811	15.53	1857	15.27
1718	15.11	1765	14.83	1812	16.11	1858	15.38
1719	15.09	1766	14.80	1813	16.25	1859	15.19
1720	15.04	1767	14.85	1814	15.04	1860	15.29
1721	15.05	1768	14.80	1815	15.26	1861	15.50
1722	15.17	1769	14.72	1816	15.28	1862	15.35
1723	15.20	1770	14.62	1817	15.11	1863	15.37
1724	15.11	1771	14.66	1818	15.35	1864	15.37
1725	15.11	1772	14.52	1819	15.33	1865	15.44
1726	15.15	1773	14.62	1820	15.62	1866	15.43
1727	15.24	1774	14.62	1821	15.95	1867	15.57
1728	15.11	1745	14.72	1822	15.80	1868	15.59
1729	14.92	1776	14.55	1823	15.84	1869	15.60
1730	14.81	1777	14.54	1824	15.82	1870	15.57
1731	14.94	1778	14.68	1825	15.70	1871	15.57
1732	15.09	1779	14.80	1826	15.76	1872	15.63
1733	15.18	1780	14.72				

[NOTE.—From 1687 to 1832 the ratios are taken from Dr. A. Soetbeer; from 1833 to 1878 from Pixley and Abell's tables; and from 1879 to 1889 from daily cablegrams from London to the Bureau of the Mint.]

Table showing the ratio of silver to 1 of gold since the demonetization of silver by Germany and the United States, and the closing of all mints of the western world to its free coinage.

YEAR.	RATIO.	YEAR.	RATIO.
1873	15.92	1882	18.19
1874	16.17	1883	18.64
1875	16.59	1884	18.57
1876	17.88	1885	19.41
1877	17.22	1886	20.78
1878	17.94	1887	21.13
1879	18.40	1888	21.99
1880	18.05	1889	22.10
1881	18.16		

"The foregoing figures show that it is only since the legislative proscription of silver by Germany and the United States, and the closing of all the European mints to its coinage, that any material change took place in the ratio between the two metals, which conclusively demonstrates that the present divergence in the relative values of the two metals is directly due to the legal outlawry of silver and not to natural causes."

CHAPTER IX.

NATIONAL DEBTS.

When misfortune befalls an individual and he is forced to make expenditures which exceed both his store of money and available resources, he is likely to become the victim of avarice and fall into the clutches of those who possess that which he does not—ready cash. Few men under such circumstances are strong enough to avoid this common fate. An individual can simply direct his own actions and is only partially Sovereign over himself. As to all other persons he must control them, if at all, by contract or persuasion. But an independent and powerful Nation, if wisely governed, is not subject to such limitations and vicissitudes. The Nation is supreme and rules over the whole body as an individual controls his own person. It commands and every member, the head, the eye, the ear, the tongue, the hands, the feet—the whole organic structure must obey. No member of the body politic can become so great as to rise above, none so insignificant as to fall below the control of the Sovereign will. If circumstances warrant, the Sovereign hand can be laid upon the persons, the property, the commerce, and even the lives of its subjects. That power so vast should be exercised with prudence and caution none will gainsay. But Government was created to meet and master emergencies with which individual powers and capacities are inadequate to cope. Each individual member of society consented to the full

exercise of this power when his citizenship began, and this consent can neither be withdrawn nor ignored; neither can the primal functions of Government ever be rightfully surrendered. What moral right have the rulers and lawmakers of a Sovereign and Independant Nation to refuse to exercise the legitimate powers entrusted to their care? What right have they to dethrone their Sovereign and send him forth into the market as an individual to beg where he should command, or to borrow where he should create? It is worse than the sale of the purple to the highest bidder; it is equivalent to advertising for a despot, an offer in advance to present him with the purple gratis when he shall appear, and finally to put the people under tribute to him and his successors forever.

The policy of public borrowing is subversive of sovereignty and is as illogical as it is full of evil consequences. No other system could possibly be devised that is so well calculated to enthrone the capitalistic classes among the nations of the earth. If a Nation becomes involved in war when its current revenues and available resources, as ordinarily understood, are inadequate to meet the strain, it must, nevertheless, have money or perish from the face of the earth. Resort is generally had to borrowing, either from its own citizens or from foreign capitalists. This implies a contract into which the capitalist, of his own volition, may or may not enter. It implies the right on his part to prescribe the terms on which the loan shall be made and the right to refuse the loan altogether. It places the life of the Nation at his mercy and the relation of Sovereign and subject is lost sight of completely. In fact, the Sovereign becomes the subject, and the subject the Sovereign. They exchange places and a new *regime* follows as certainly as if one king should abdicate and another be enthroned. When the sovereignty of the people is thus displaced,

either by voluntary surrender or by the gradual and cunning usurpation of capital, it is rarely ever regained—never except by upheavals which convulse society from center to circumference. The importance of these observations, as well as the evils which result when they are disregarded will become apparent as we advance. They are the very fountain head of the political and social convulsions through which this Nation is now passing.

PROVERB OF THE WISE KING.

King Solomon certainly had a prevision of the present era of debt, and all the reckless borrowing nations of the nineteenth century must have been passing in mournful procession before him when he declared "The rich rule over the poor and the borrower is servant to the lender." During the latter half of the present Century—since 1848—the nations of the earth have universally become borrowers; and this in the face of increasing riches gathered from vast gold fields in the eastern and western hemispheres, and in spite of the fact that nature is more bountiful than ever before and has revealed to man the combinations which enable him to open the vaults of the universe and help himself to her inexhaustible treasures.

England and Holland were greatly in debt prior to the date named; but since 1848 all nations have followed their example and plunged recklessly into debt. A Government is intangible and cannot be enslaved. Hence the yoke unfortunately falls to the lot of individual subjects—the poor. Nor does it make the slightest difference whether the Nation as such is the borrower, or whether it is the great body of the people who become indebted in their individual capacity or both; the same servitude, more or less galling, must inevitably result. Pitiable indeed is the condition of that country where both extensive public and

general private indebtedness are co-existent. It is a lamentable fact as we shall see further on, that to-day the Government of every debtor people on our planet is in the hands of the monied classes—the usurers. Capitalists have entrenched themselves within the governments of the world and wield the machinery of state as the policeman does the baton and the revolver—to inspire fear, control the refractory and suppress revolt. This universal domination of capitalists over modern nations accounts for the readiness with which public loans are effected. The loan is made to a corporation controlled by the lender, and the supervision of his wealth remains practically in his own hands. The lien which he secures attaches to the total wealth of the country, is exempt from taxes and is more stable than that which individuals can proffer; while the methods of enforcement are inexpensive and more secure.

The feudal system and the thirst for military achievements which animated the leading spirits of the world for so many centuries were the complements of each other, and they both finally perished together. Their overthrow did not take place at the same time in all parts of Europe, and in fact was not fully accomplished until the fall of the first Napoleon. It received its first great wound, however, when William III. ascended the English throne in the latter half of the seventeenth century, and granted political freedom to the capitalistic classes. This was the victory of aristocracy over monarchy and introduced a new factor into the governments of the world. Knighthood commenced to wane and the landed and mercantile classes rapidly rose into importance and demanded that governments should be administered in their interest instead of in the interest of the monarch. They succeeded. Then came the perils of a standing army and a National debt.

From the Norman Conquest down to the accession of Charles II. Britain managed to pay her way from revenues derived from lands reserved to the Crown and allotted on conditions of feudal service, and by direct levies on the people at large. If the King's expenditures exceeded the revenues the excess was called "The King's debt." It was not until William III. that it was changed into the "National debt" and the funding system originated.

That "fiscal monster," to use the language of Mr. McQueen, an eminent reform writer in England, known as the British debt, took its rise in 1694. On the 27th day of July of that year, Parliament granted a charter to the Bank of England in return for an insignificant loan, as we have observed in a former chapter, which the Company advanced to the Government. This institution has since increased its wealth in proportion to the increase of the National debt. The charter stipulated that at any time after the first day of August, 1705, upon twelve months' notice being given, and upon repayment of the loan, with all arrears of interest, their charters should cease. It proved to be a loan in perpetuity. Numerous extensions of the charter followed and each extension was in return for an additional loan. It is impossible to either adequately portray or fully conceive the influence which the debt of England has had upon the human race. Its lines have gone out in all the earth. For nearly two centuries the Bank of England has wielded the fiscal scepter of the world by controlling British securities and those of other nations. Its Board of Directors holds both the sword and the purse. They in reality declare war and conclude peace. No Ministry would presume to enter upon any great national enterprise in peace or campaign in war, without first consulting the managers of this institution. Together with the Stock Exchange and Royal Ex-

change, which are its offspring, this bank has become in fact both Parliament and King. It makes the laws and repeals or executes them at pleasure.

When it became known that the bank was permitted by the terms of its charter to deal in public securities of all kinds, wealthy Jews and other capitalists flocked to the metropolis from all parts of Europe. They carried on the business of stock-jobbing within the building occupied by the bank. Finally, in 1700, when their number and transactions became so large as to encumber the bank, they retreated to "Change Alley," where they continued to carry on their business. Finally a building known as the "Stock Exchange," was erected in the vicinity of the bank and near the Royal Exchange, the three forming a financial trinity whose influence is felt in every part of the world. For many years after the accession of William III. the commercial spirit extended but slowly among surrounding Nations. During the reign of Queen Anne, however, it received a vital impulse. The Duke of Marlborough, the most noted chieftain of that time, became Captain General of all the British forces. He was accompanied in his expeditions by the wealthy Jew, Medina, who is said to have amassed immense riches by rapid dispatches following the great victories of the Duke at Venloo, Liege, Stevenswaert, Blenheim, Ramillies, Oudenard and Malplaquet.

The English debt is now, in round numbers, $4,000,000,000, reckoned in our money, and is destined to continually increase. National expenditures in England usually exceed the revenues, and hence, the extinguishment of the debt is never in modern times, contemplated. Through every reign it overshadows the industrial classes like a deadly upas, but its fruitage falls like manna from heaven to refresh and feed an idle aristocracy. This is the peril which now confronts us if our revenues are to be reduced below

the demands of current expenditures and the requirements of the sinking fund.

Vattel, Philmore, and the whole line of writers upon international law declare if one Nation refuses to pay a debt, repair an injury or give satisfaction to another, the latter may seize property belonging to the former and retain it until the offending Nation atones in full. These writers further declare that Nations may also rightfully do this to protect their subjects and enforce the performance of justice when only the rights of private citizens are involved.

These considerations involve political consquences of the most serious and far-reaching character. The British Government has repeatedly appointed commissions with the view of protecting private investors and dispatched them to foreign countries to investigate the management of local finances, with instructions to report their findings to Parliament. Such a commission, consisting of twelve eminent personages, was appointed in February, 1875, at the instance of the London Stock Exchange, and various private citizens. Their report, which fills six volumes nearly as large as a volume of our Congressional Record, is replete with warning to the world, and affords the student of current history a clear understanding of the direction in which modern Governments are drifting.

Egypt furnishes a melancholy instance of the evils of public debt. Under the extravagant administration of Ishmael Pacha, she had borrowed extensively from the subjects of England, France and Germany. Payments were not prompt, which caused complications to arise, and at the request of the Khedive a special commission was appointed by the British Government to examine into the financial status of the country. A report was made in 1876, but the recommendations were not satisfactory to the French financial houses, and were rejected. Shortly thereafter, at the

instance of the "Council of foreign bond-holders," Mr. Goshen and M. Joubert, proceeded to Egypt and brought the Government to terms. The Khedive consented to sell his estates to insure the payment of the loan of 1870, and for the other loans of 1862, 1868 and 1872, the railways were placed under the control of a commission consisting of two Englishmen, one Frenchman and two Egyptians. Then in 1878, the Rothchilds of London and Paris, made another loan of £8,500,000 based upon the family property of the Khedive which he transferred to the state. The next year Ishmael Pacha was forced to abdicate and Prince Tewfik was formally invested with power, and the rule of the usurer was made complete in the ancient empire of the Ptolemies. The entire administration of the country was thrown into the hands of England and France, through two Comptrollers General. The Egyptian debt question agitated European politics. Germany, Austria-Hungary and Italy were invited to participate in the general division of Egyptian spoils. This humiliation was resented by the National party, and headed by Arabi Pacha it rose in rebellion. But this gallant leader and his little army of poverty-stricken followers were soon brought to terms by English guns, and an armed occupation of their country by a foreign power, quickly ensued. The principality of Tunis, in North Africa, furnishes another example. Her finances are regulated by a syndicate of English, French and Italian bond-holders, who are self-appointed, and yet their salaries are drawn from the Tunisian treasury. Other examples might be readily given, but enough has been said to indicate that Public borrowing and Popular liberty are not likely to flourish well together.

The civilized Governments of our day are struggling under an indebtedness computed at $30,000,000,000. It will be observed that this sum does not include local, cor-

porate or individual obligations of any kind, the sum total of which is well nigh incalculable. The enormity of this burden of public debt becomes apparent when we reflect that it constitutes a mortgage of $800 upon each square mile of territory over which the various civilized Governments extend, and an indebtedness of about $22 for every inhabitant of the earth young and old.

The interest upon this vast indebtedness, calculated at 5 per cent per annum, exceeds the sum of $4,000,000 per day, and to simply pay the interest requires the continuous labor of over 4,000,000 day-laborers earning the average per diem wage now paid among these borrowing Nations. Prior to 1848, as has been already intimated the public debts of the world were comparatively small, and amounted to only about eight and a half billion dollars. The Civil war in the United States, the Austro-German war, the Paraguayan war, the Franco-German war and the sudden and unlimited resort to credit among all Nations, furnish a ready explanation of the enormous increase above stated.

Mr. Henry C. Adams, in his work entitled "Public Debts," published in 1887, states that in 1862 there were quoted upon the London Stock Exchange, foreign stocks to the amount of £697,830,000, while the quotations of ten years later showed the same class of securities to have expanded to the enormous figure of £2,430,000.000. At the present time over one hundred Sovereign States, and fifty which are quasi-Sovereign, daily offer their public securities for sale in the London market. The spectacle is here presented of the Nations of the earth reduced to penury and bankruptcy through the machinations of individual capitalists—of a small coterie of usurers being wealthier, or at least more powerful in financial affairs, than the whole body of the people backed by their Governments. In fact this class of persons rule and administer the Governments

of the earth in their own interest. Usury sits enthroned throughout the earth and wields universal empire.

The corporal slavery of the olden time had only a local habitation. It has given place to the new servitude which is more universal and equally cruel, and it is far more economical and profitable for the master.

The following table which we take from Professor Adam's work above referred to exhibits in a startling manner the growth of the public indebtedness of the world:

1714	$ 1,500,000,000
1793	2,500,000,000
1820	7,750,000,000
1848	8,650,000,000
1862	13,750,000,000
1872	23,025,000,000
1882	26,970,000,000
According to American Almanac:	
1889	32,317,336,421

The private debts of the world can only be estimated. That excellent authority, Sir Moreton Frewen, estimates the public and private debts of the people of Great Britain at £4,000,000,000 or nearly $20,000,000,000.

In a note found on page 448 of Dr. Denslow's treatise on Political Economy we find the following:

"The Iron Age, referring to an address to the National Board of Trade by Mr. Price, quotes Lord Derby as having predicted that European nations must repudiate. The annual burden of $800,000,000 of interest is a load they cannot carry. Spain, Portugal, Austria, and Greece are bankrupt; Russia and Italy are without credit; and the great states of Great Britain, France and Holland are exhausting every measure of taxation to maintain solvency and credit."

THE UNITED STATES.

Let us now look into the situation in our own country in this respect. In point of age the Government of the United States is but an infant. Many of the great nations

of the earth now existing, had passed through centuries of alternate peace and war long before America, the lost Atlantis, was found. Our expanse of territory would afford homes for five times our present population, and they could subsist in security and in the enjoyment of peace and plenty. The restless and sleepless seas stand sentinel to guard our repose and to shield us from invasion. Our resources are unexampled in the history of any nation known to recorded history. Added to our natural and acquired advantages we have a Democratic form of Government barely a century old which was especially instituted and constructed to avoid the distressing conditions of poverty and misery which result to the mass of mankind from mal-administration of despotic and aristocratic forms of Government. The bounties of Providence and the wise forethought of the framers of our Government seem to have wrought in unison to make our lot exceptionally favorable. Notwithstanding all this, however, we have the leprosy of debt, the curse of wretchedness in the midst of plenty, the spectacle of poverty surrounded by unexampled riches, of hunger abiding as next door neighbor of abundance, of food decaying for the want of someone to eat it, in sight of those who are perishing for the necessities of life, of nakedness in sight of great storehouses filled with raiment—all these sickening and perplexing evils have come hither to plague us as they have scourged all nations before our time. Dives and Lazarus are both with us and the latter is expected to be content with the crumbs which fall from the rich man's table. With these glaring facts before us it is the solemn duty of the men and women of this generation to inquire diligently whether there be not some radical defect in the machinery of our Government or else in the very organic structure of society itself. It cannot longer be postponed if we would

avoid the perils of self invited chaos and the terrors of impending revolution. Dr. Denslow's estimate of indebtedness in the United States in the year 1887, was as follows:

Present National debt, December 1, 1887....	$1,675,817,660
State.....	226,596,594
County and municipal.....	821,486,447
Railway.....	4,163,640,144
Banking.....	4,581,706,203
Private banking.....	1,500,000,000
Record.....	6,000,000,000
Mercantile.....	3,000,000,000
Individual, otherwise than above.....	6,000,000,000
Aggregate.....	$27,969,247,048

This total is more than one-half of the entire census valuation of 1880. If our population is now 64,000,000 and our indebtedness has increased in like ratio, it means a per capita burden greater than the average income of the family. Six per cent. annual interest upon this vast sum is $1,678,154,822.88—a sum almost equal to our total annual increase of wealth.

The total assessed value of the property of the United States in 1880, for purposes of taxation was $16,802,993,543.00. In 1888, according to the best authorities, the assessed value in thirty-eight states was $22,637,884,298. It is safe to assume that for any increase in wealth since these periods there has been a corresponding increase of debt; and it is also entirely safe to conclude, in the light of recent census investigations, that the indebtedness of the people of the United States equals the total assessed value of the entire property of the country. Besides this, the above estimate of the average rate of annual interest (six per cent.) is believed to be greatly below the real interest charge, and we have not estimated the increase of interest through compounding. The influences and causes which have entailed upon the American people this blighting curse and crushing burden were examined in our chapter on Finance in War and Peace.

CHAPTER X.

FINANCE AND OWNERSHIP OF LAND.

The most disastrous and discouraging effects of an evil financial system always make their appearance at the centers of social life—the home and the fireside—the most sacred places on earth.

In modern life every respectable person is expected to have two things—a definite abiding place and money to pay current expenses. If long deprived of these essentials he becomes an outcast and a pauper. Nothing can be more cruel than an economic condition which makes it difficult for persons, no matter how humble, to either retain or secure these indispensable auxiliaries to life, comfort and respectability. Whenever, in a populous Nation, agricultural pursuits become of secondary importance as a means of acquiring wealth, it may be set down as certain that the callings which have risen above it are operating under some artificial stimulus which is abnormal and unjust. The stream and its fountain can never change their normal relations to each other without the application of some foreign force; and when the disturbing agency is removed natural relations will quickly be renewed. The earth is the great storehouse of wealth and those who toil upon it create the riches of the world and make them available to the human race. The cultivation of the soil should be and in fact is, under natural conditions, the surest road to opulence known among men. Under just relations it would

be impossible to impoverish this calling, for it feeds, clothes and shelters the human family.

But production suggests commerce, and commerce calls for certain instrumentalities without which it cannot be carried on. Chief among these is money. This important agent bears the same relation to industry that steam does to the locomotive, blood to the animal economy, or oil to machinery. If money is scarce it will be hard to get; and when hard to get it is always dear, and the scarcer the dearer. Dear money means cheap property, and the dearer the money the cheaper the property. Under such circumstances, the profits of labor are shifted from the hands of those who create the wealth to the coffers of those who control the money. The process is simple and within the comprehension of all who care to think.

When prices are reduced a given per cent the money in the country is increased in purchasing power in precisely the same ratio. If prices are reduced one-half the ready cash of the capitalist is practically doubled. If he is actively using $100,000 in business, $50,000 will now answer his purpose and the remaining $50,000 is released and becomes surplus capital which he may employ in some other way. Thus it will be seen that $50,000 have been taken from labor and from property holders and given to the money owner. If this relation continues for any considerable period the disease becomes chronic and extends to the soil. When no longer able to meet current expenses and keep up repairs from the income of the farm, the disappointed husbandman is forced to borrow to meet his daily wants. The distress being universal borrowing becomes general and the land itself is pledged for the payment of the money borrowed — principal and interest—the latter being generally in excess of the annual net returns of the farm.

Now if the circulating medium continues scarce and population multiplies the depression must grow severer from year to year. If an occasional bad crop intervenes immediate disaster is inevitable. The desire to escape from the calamitous situation and to save something from the wreck causes every mortgaged farmer to offer his land for sale. He must have money even if he is forced to give his share of the earth in exchange for it. Meanwhile money is rapidly advancing in purchasing power. It is the one thing which everybody wants and must have. The very planet, when compared with it, sinks into insignificance. Buyers are few and nobody wants the land. The market is glutted and mother earth goes begging for purchasers. Land values decline and the money baron has conquered. This explains for the most part, where the large amount of surplus money came from which has in recent years been loaned upon farm mortgages. It was first transferred from industry to capital by contraction, reduction in prices and accumulations of interest, and then loaned back to the very people from whom it had been filched. By this process the land of the whole country has been practically reopened to private entry with speculators as preferred applicants and actual tillers of the soil in the role of trespassers.

The release of money through contraction and consequent reduction of prices accounts for that financial *mirage* which has perplexed and deluded the people of this country ever since the inauguration of the McCulloch policy in 1866. As often as the people complained that prices were ruinously low and money painfully scarce, the apologists of the baleful order of things would point to the banks and loan brokers and cry out: "There is an abundance of money—more than can be profitably employed." Great metropolitan newspapers took up the refrain and have ever since been singing it in full chorus, basso, tenor, soprano and

alto. They forget that most prudent men decline to invest money when prices are rapidly falling. Those who have money understand that their idle cash, though locked up in the vault, is all the while increasing in purchasing power, which is equivalent to a high rate of interest without risk. This makes money appear to be plentiful when in fact it is an additional process of making it scarce. Contraction destroyed one moiety of the money and falling prices drove the other into the vaults. The presence of large quantities in the hands of the loan brokers is conclusive evidence that it is not performing its legitimate function in the channels of trade, and that industry is seriously suffering at its extremities. And yet this condition of things is generally accepted as conclusive evidence that no more money is needed. Such financial wiseacres could prove that there had never been a drought in the Northwest by showing that Lake Michigan had always been navigable.

It is easy to understand that this condition of things necessarily forces vast quantities of land upon the market. It offers a premium to land speculators and enables the few who control the money to buy up at a low figure great areas of the soil. It empowers those who are financially strong in every neighborhood to crowd out their weaker neighbors and secure titles to their lands. It is a common thing now to find large landed proprietors in every county throughout all the states and territories. Small estates are being rapidly absorbed and the once contented tillers of small farms are being rooted out and driven to the cities, or they are taking their places in the rapidly increasing army of tenants. In a healthy economic condition the tendency, as population increases, would be to smaller farms and higher cultivation. But at present, we are making rapid strides in exactly the opposite direction.

All shrewd investors understand that the best security known to the business world is land. It is not only nonperishable, but the number of acres are forever fixed. It can neither be more nor less through all the centuries. Not so with the inhabitants of the earth. They multiply rapidly. The yearly increase can be calculated with accuracy, and as they multiply the demand for homes and arable land must of necessity increase in like ratio. When we remember that the area of the earth is limited and its inhabitants constantly increasing in numbers, the rapid tendency toward large holdings constitutes a most solemn and startling impeachment of our whole system of land tenures. It is a plea for reform more eloquent and persuasive than anything which can be evolved from the finite mind.

THE DEATH PLEDGE.

The man who originated the word *mortgage* and applied it to real estate which is pledged for the payment of debt, was a philologist and a philosopher. The first part of the word—*mort*—was originally derived from a latin word which signifies death. The word murder is from the same ultimate root. The last half of the word—*gage*—is from the Old French, and signifies to pledge, pawn or stake. We get the whole word from the Old English, where it was used to mean a dead pledge. It was probably employed to distinguish the pledge of lands from the pawn of chattels—the latter being movable; but this would not sufficiently account for the selection of the word *mort*, which is suggestive of death and the departure of the mortgager from the earth, Having pledged his source of subsistence, when that is gone he is liable to perish. Hence in its last analysis, the mortgage rests upon the life of him who gives the pledge and upon those who are dependent upon him for support. It is creditable to the savage tribes that they have never committed this abominable crime.

As we have seen, the effects of an insufficient volume of money, are, to depress the price of real estate in the market, drive it into pledge, force it to sale and to greatly reduce the number and increase the extent of individual holdings. By such means the land passes rapidly into the hands of a small class of persons whose means enable them to retain the title. These influences have been at high tide in this country for more than twenty years. The effects are seen in the rapid increase of urban and corresponding decrease of rural population as shown by our late census.

But the most disastrous and appalling manifestation of this deplorable policy has yet to be mentioned. The decline in the price of lands, in the very nature of things, can be but temporary. Two influences unite to make this certain: First, the increase of population, and second, that as titles pass into the hands of capitalists the land is withdrawn from sale except to persons of like means. Such landholders can wait for still further advance in prices.

It may be suggested that this increase in value will result in relief to those who are mortgaged and cultivating the soil. A moment's reflection will show this to be an error. No one but a land speculator or some one wishing to escape from the curse of debt can be interested in having real estate advance in price, for the reason that an increase in price means heavier taxes. What the farmer most wants is a good price for the products of his farm rather than an advance in the value of the farm itself. This can only be brought about by increasing consumption, and this, in turn, by enabling the consumer to supply his wants. It is plain that an advance in the price of real estate which is not caused by an increase in the value of its products, while it may enable a few debt-ridden citizens to escape from their burdens, is nevertheless, upon the whole, a serious

evil to the community at large. It shuts the door of opportunity against the people and deprives them of the hope of securing homes. It is not high priced lands that we want, but high priced products; and this can never be realized until those who are engaged in other pursuits are furnished with employment at wages which will enable them to fully supply their wants.

We have now reached the period in the history of this country when the secondary effects of our financial system are beginning to be seriously felt. Land values are rising, but the prices of farm products, taking the years together are seriously declining. The great body of mortgaged farmers will make heroic struggles to save their homes but they will, unless relief be extended, in most instances be forced at last to yield to the inevitable and part with their lands. The increased price of land is only an additional inducement for them to relax their efforts. This is exactly the effect which has been realized in Great Britain where the ante-type of our financial system has been in undirturbed operation for nearly three quarters of a century. In England the result has been large holdings wholly disproportionate to the wants of the proprietors, while the great body of the people are left homeless and hopeless in a country which they are expected to love and defend.

The reader has doubtless learned from his own observation that the same deplorable state of affairs is rapidly taking place in our own country. It seems incredible that a people possessing the boon of free Government and an unobstructed ballot could be thus despoiled and subjugated by a few selfish speculators and monopolists in a single Century. And more lamentable still the fact that up to a very recent period the majority of the people seem to have been unmindful of the fact that these evil influences and

laws, fashioned to beggar themselves and their posterity, have been in full operation before their eyes.

The Rt. Hon. William E. Gladstone, that marvelous statesman and leader of the nineteenth century, in a manifesto issued to the people of Great Britain in the month of February, 1892, declares that the present land laws of England and the large holdings made possible by them, are the cause of much of the pauperism in that country. That the people are made paupers by law. He declares that laws for the relief of the agricultural classes and which will enable the people to acquire lands are needed, and he calls for their enactment. Lord Shaftesbury, when he had concluded his first speech in Parliament, made in behalf of more humane treatment of the insane, went to his room and recorded in his diary the following note: "And so by God's blessing my first effort has been made for the advancement of human happiness. May I improve hourly." It is glorious to know that Mr. Gladstone is filling the closing years of the present Century so full of human thoughts and noble deeds that they will be crowded over into the next where they will forever remain as the common inheritance of our race.

CHAPTER XI.

THE GERRY-MANDER.

Abuse of power is the most exasperating crime of the world. It has marred the biography of rulers, stained the history of dynasties, polluted the administration of justice, corrupted the policies of parties, destroyed the tranquility of society and boldly set at naught the beneficent objects of Government from the dawn of history until the present hour. Indeed it would seem that as man reluctantly emerged from barbarism into civilization he brought along with him this cherished cruelty, among others, and has since been spending much of his time in the vain endeavor to domesticate his untamable vices—in trying to improve the milk of human kindness by spicing it with venom and mixing it with wormwood and gall. Some men who are physically strong delight in using their strength to inflict injury upon weaker persons; others who are wealthy, in levying tribute upon the destitute; powerful corporations take advantage of the weak, practically confiscate their property, decree beggary to large numbers of persons and frequently ordain bankruptcy to whole communities. Such operations strongly resemble the deadly feuds and tribal wars which mark the history of savage races. But bad as these things are, we are not to look to such manifestations for the most malignant type of modern tyranny. It is when wrong-doers get possession of the State and perpetrate their crimes under color of law that we catch a real

glimpse of the diabolism of oppression. It is in such chapters that we find recorded the most heartrending and melancholy recitals known to the annals of our race. The criminal entrenches himself behind statutes, prates about patriotism and places those who plead for redress, or complain of tyranny in the attitude of seditious and disobedient subjects. Official brutalities in modern Russia and English tyranny in Ireland, India and Egypt will be readily recalled by the reader as marked instances of this class of State ordained crimes. But we need not go beyond the United States in search for manifestations of this crying evil.

In our own country, as we have abundantly proven in our chapter concerning the Public Lands, we have thousands of instances where meritorious and law-abiding citizens have been despoiled of their homes and turned adrift as beggars by the lawless decrees of mere deparmental officials. In their haste to serve their corporate masters it is manifest that they wantonly over-rode the plain letter of the statute. Indeed, in numerous instances it was so held by the highest Court after it was too late to restore the wronged parties to their rights. In many cases the plain wording of the statute and the interpretation of the Court had united to assure the citizen that he might enter upon the land with perfect safety. To complete the assurance, the Government solemnly executed and delivered to multiplied hundreds of these enterprising home-seekers its patents, bearing the Great Seal of the Nation conveying to the grantees named and to their heirs and assigns forever, complete title to the lands described. And yet subordinate bureau officials and heads of departments have afterwards ordered the cancellation of such patents and evicted the settlers. Upon rehearing before the courts, the former rulings upon which the settlers acted have often been

reversed and the last hope taken away from the home-seekers and their families. These are marked instances of the perversion and wrongful use of the powers of Government. The entire enginery of State was made to evolve tyranny instead of liberty, destruction instead of security, and the will of the people and the laws which they had ordained were alike set at naught.

But the abuse of power referred to in the Title of this Chapter differs in type, though not in character or essence, from the crimes just named. The kinship of motive in the two cases is readily discernable and the difference lies chiefly in the method of procedure. In the above instances the law is openly violated and redress is denied by ministerial and sometimes even by judicial officers. The political bushranger matures his plans, captures the State, gives his schemes of pillage the sanction of law and appropriates the spoil. If you refuse to submit you are not law abiding.

The Gerry-mander belongs in the latter category. This vice assails representative and popular features of Government, general and local, and seeks to thwart an untrammeled expression of public opinion. Those who profit by the abuses of society deplore agitation, stand in mortal dread of the ballot-box and delight in special statutory favors. They know that many existing institution will not bear investigation and they tremble whenever new currents of thought are set in motion. They are liable to sweep existing wrongs and fallacies into oblivion and to replace them with institutions and theories more equitable and humane. Hence they seek to head off popular clamor, crush out political rivals and even to drive back the rising tide of reform by special enactments.

The first marked attempt in this country to legislate in restraint of political opinion occurred in Massachusetts

during the administration of Governor Elbridge Gerry, 1812.

The caricature found at the close of this chapter is from an original illustration which appeared in the Boston *Register* of January, 1813. The following historic statement taken from the Memorial History of Boston will fully explain the uncomely figure:

"When Elbridge Gerry was Governor in 1812, the Democratic Legislature, in order to secure increased representation of their party in the State Senate, districted the State in such a way that the geographical outline of the towns forming the Essex District brought out a territory of singular outline. Major Ben Russell of the *Centinel* caused a map of the district to be made. Gilbert Stuart, the artist, added a head, wings and claws, and exclaimed, 'That will do for a salamander!' 'Gerry-mander,' said Major Russell, and the title has applied ever since to political districts which have been tinkered."

After this travesty had slumbered for nearly three quarters of a century it was, eight or ten years ago, brought to light by Mr. Charles H. Litchman, of Marblehead, Massachusetts, and republished in his paper, the *Statesman*. We are indebted to Mr. Litchman for the copy from which our illustration is taken. Since the planting of this bad example in the Old Bay State in the early years of the Century, its noxious growth has extended into all the States. It has been inveighed against by all classes, condemned by all parties and anon encouraged whenever the ambition of place hunters or the interest of political organizations could be advanced by the usurpation. It flourishes best when the contest between parties is waged simply for office. It delights in barren and abandoned fields where no attempt is made to cultivate the soil and where the proprietor gathers a precarious subsistence by trapping and

hunting for game. It is just now flourishing exuberantly in most of the States of the Union.

It should not excite surprise to see this weapon of warfare used by parties which exist merely for spoil. The wonder is that the people, who never share in the booty and who are only interested in the general good, will from year to year, join these political adventurers, sustain them in their depredations and then foot their bills. Let us examine a few of the recent manifestations of this evil.

In 1888 the Republicans of Indiana cast 265,365 votes for Representatives in Congress. The Democrats cast 259,987 votes—a difference of 5,378 in favor of the Republicans, and yet the Democrats elected ten members and the Republicans three. The Democrats had one Representative in Congress for every 25,998 votes and the Republicans one for every 88,445. In 1890 in the same State the Democrats elected one Representative in Congress for every 21,750 votes cast by them and the Republicans one for every 108,282 votes.

In the same years the Republicans of Ohio, under a Republican Gerry-mander, elected Representatives in Congress as follows: 1888, sixteen Representatives, or one for every 26,032 votes. The Democrats elected but five, or one for every 79,125 votes. The election in that State for 1890 occurred under a Democratic Gerry-mander and the tables were completely reversed—the Democrats electing fourteen members, or one Representative for every 25,824 votes, while the Republicans elected but seven, or one for every 51,803 votes. Our figures are taken from an able article written by Mr. Robert S. Taylor and published in the Arena magazine, February, 1892. These are examples of this abuse as applied to the election of Representatives in Congress. Scores of others could be mentioned if space did not forbid. If we could illustrate this

chapter with diagrams showing the grotesque shapes of the districts the abuse would appear still more glaring. The law of Congress which requires members to be chosen in districts composed of contiguous territory is practically made a dead letter. It evidently means fairly contiguous territory. But when a Congress assembles elected by such method the members are not likely to interpret the law so as to unseat themselves. Stolen waters are sweet.

The same methods are employed by the so-called great parties of the day to retain political control in the States and to elect United States Senators. The following is a lawless and revolutionary example of this inveterate plague.

Section 35, Article 3, of the Constitution of the State of Iowa, provides as follows:

"The number of representatives shall not exceed one hundred, and they shall be apportioned among the counties and representative districts according to the number of inhabitants therein. Every county and district which shall have a number of inhabitants equal to one-half of the ratio fixed by law shall be entitled to one representative, and any county containing in addition to the ratio fixed by law, one-half of that number or more shall be entitled to one additional representative."

The Twenty-second General Assembly fixed the ratio at 24,000. Under the Constitutional provision above given no county having less than 12,000 would by itself be entitled to a representative, and yet the same Legislature which fixed the ratio Gerry-mandered the State so as to put seventeen Republican counties into fifteen Representative districts, every one of which was clearly unconstitional. The following are the Republican districts created by this shameful act, with the population of each at that time:

Clark, 11,369; Louisa, 11,926; Audubon, 10,825; Ida, 9,012; Calhoun, 9,836; Franklin, 11,324; Wright, 6,380; Humboldt, 8,065; Buena Vista, 11,530; Sioux, 8,389; Kos-

suth, 9,337; Hancock and Winnebago, 10,608; Howard, 9,305; Worth, 8,257; Osceola and Lyon, 8,002; Total, 147,225.

These fifteen districts were allowed to elect fifteen members to the Iowa House.

At the same time they created five Democratic districts, out of five counties containing the following population, and allowed them only one Representative each, to-wit:

Lee, 34,024; Des Moines, 35,733; Woodbury, 32,289; Marshall, 25,036; Wapello, 25,080; Total, 152,161.

This apportionment gave one Republican residing in the fifteen districts as much power in making the laws of Iowa as three Democrats who happened to reside in the five Democratic districts. But the main object had in view was the election of a United States Senator, and that end was accomplished in this shameful and revolutionary manner.

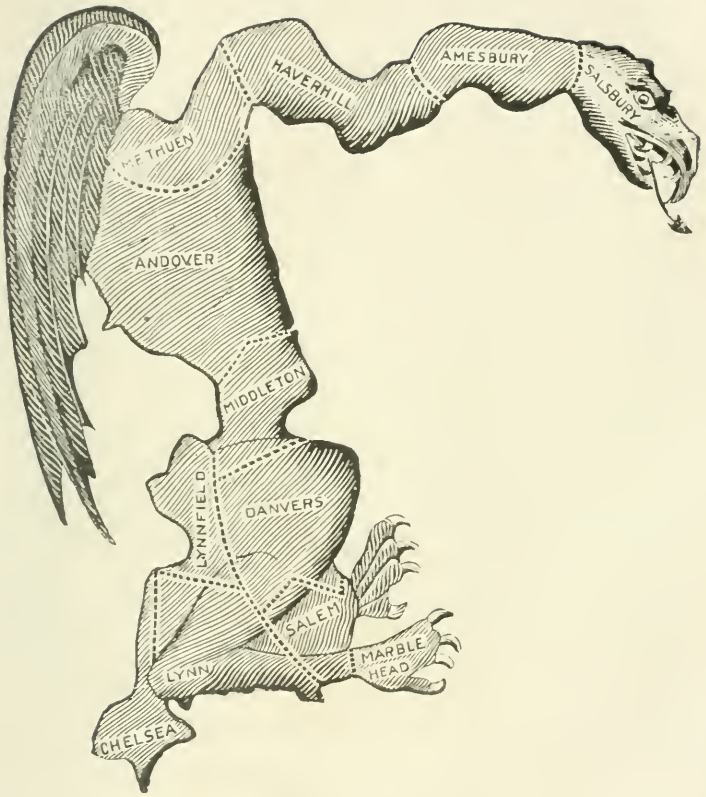
It is now proposed to apply the Gerry-mander to the appointment of electors of President and Vice-President. The Constitution provides that each state shall appoint electors in such manner as the legislature may direct. They may then decide to elect by districts, and the districts may be changed, from time to time, to suit the party in power in the state. Michigan has already adopted the district method. It was enacted by a Democratic legislature and the present Executive of the United States called attention to the matter in his annual message on the assembling of of the Fifty-second Congress. He suggests a Constitutional amendment which shall prescribe a fixed method for all the States. But it is almost as difficult to amend the Constitution as it would be to frame a new Government. We are beginning to find out that a Constitution made to meet the wants of three million people in a patriotic age which could give to the world a Declaration of Independence, is not

necessarily adequate to the necessities of sixty-four millions warped and influenced by party prejudices and divided into hostile camps. We are beginning to find out that our bed is too short to stretch ourselves on it, and the covering too narrow to wrap ourselves in it, and that new safeguards are sorely needed.

It is not strange that the state of Michigan should feel that something should be done to avoid the evils of the present methods of selecting electors; but they will find that the Gerry-mander will not furnish them a safe or desirable remedy.

When a party entrusted with the control of Government becomes intoxicated with power and, fearing the displeasure of the people, uses the State to fortify itself against the rightful exercise of public opinion, there is nothing to distinguish such an act from open insurrection except the cowardice of the perpetrators who commit their crimes behind the forms of law. By one false pretense and another they cajole the people and secure their confidence and then turn their guns upon the deluded constituency, bring them to bay and compel submission to outrage and humiliation.

The only safe and fair method of selection is by the people of the whole State. If all the States should adopt the district method it would answer if the Gerry-mander could be avoided. But we cannot hope to secure the one or to avoid the other. There is, however, a plain practical remedy at hand which the States can adopt for themselves. Appoint the Electors for President and Vice-President by the vote of all the qualified electors in the State, but allow the voter to cast one vote for each Elector as he does now, or allow him to cast them all for any number less than the whole number to be selected from the State, just as he pleases. To illustrate: The State of Iowa appoints at



THE GERRY-MANDER.

From the Original Illustration of the Essex, Massachusetts District as it appeared in the Boston Register, January, 1813.

present eleven. The four parties in the State would then nominate the number which they could certainly elect and no more, and cast their whole vote for them. If they should nominate more they would be in danger of losing all. If but one is nominated each person supporting the nominee would cast eleven votes for one candidate instead of one vote each for eleven candidates as at present. If he desired to vote for two or more he could divide his eleven votes between them just as he pleased. This is what is called cumulative voting, or minority or proportional representation. Senator Buckalew, of Pennsylvania, several years ago, introduced a bill to provide for the election of Representatives in Congress by this method. It was referred to the Judiciary Committee of which he was a member. He made a very able and exhaustive report in favor of the measure which he afterwards embodied in a book entitled Proportional Representation. If this method were adopted it would restore the Government to the people and sound the death knell to the corrupt use of money in politics. We predict that Mr. Buckalew's book will yet attract very wide attention. The method suggested is Democratic in the highest sense and its operation would make the House of Representatives and the Electoral College representative bodies in fact as well ir theory.

CHAPTER XII.

DIVES AND LAZARUS.

CONTRASTS.

If the master builders of our civilization one hundred years ago had been told that at the end of a single century, American society would present such melancholy contrasts of wealth and poverty, of individual happiness and widespread infelicity as are to be found to-day throughout the Republic, the person making the unwelcome prediction whould have been looked upon as a misanthropist, and his loyalty to Democratic institutions would have been seriously called in question. Our federal machine, with its delicate inter-lace work of National, State and municipal supervision, each intended to secure perfect individual equality, was expected to captivate the world by its operation and insure domestic contentment and personal security to a degree never before realized by mankind.

But there is a vast difference between the generation which made the heroic struggle for Self-government in colonial days, and the third generation which is now engaged in a mad rush for wealth. The first took its stand upon the inalienable rights of man and made a fight which shook the world. But the leading spirits of the latter are entrenched behind class laws and revel in special privileges. It will require another revolution to overthrow them. That revolution is upon us even now.

Two representative characters—Dives and Lazarus—always make their appearance side by side in disturbing contrast just before the tragic stage of revolution is reached. They were present at the overthrow of ancient civilizations; the hungry multitude stood outside the gates when Belshazzar's impious feast was spread; they were both at the cave of Adullam when the scepter was about to depart from the tyrant Saul to the hands of the youthful David; they stood side by side when Alaric thundered at the gates of Rome; they confronted one another in the fiery tempest of the French revolution and they are sullenly face to face in our own country to-day. We will devote a few pages to the delineation of these forces as they appear in our civilization at the present period.

SOCIAL EXTRAVAGANCE.

In the year 1884, as we are told by Ward McAllister, in his book entitled "Society as I Found It," a wealthy gentleman gave a banquet at Delmonico's at which the moderate number of seventy-two guests, ladies and gentlemen, were entertained. The gentleman giving the banquet had unxepectedly received from the Treasury of the United States a rebate of $10,000 for duties which had been exacted from him through some alleged misconception of the law. He resolved to spend the entire sum in giving a single dinner which should excel any private entertainment ever given in New York. He consulted Charles Delmonico, who engaged to carry out his wishes. The table was constructed with a miniature lake in the center thirty feet in length, enclosed by a network of golden wire which reached to the ceiling, forming a great cage. Four immense swans were secured from one of the parks and placed in this lake. High banks of flowers of every hue surrounded the lake and covered the entire table, leaving barely enough room

for the plates and wine glasses. The room was festooned with flowers in every direction. Miniature mountains and valleys with carpets of flowers made vocal with sparkling rivulets, met the eye on every hand. Golden cages filled with sweet singing birds hung from the ceiling and added their enchantment to the gorgeous spectacle. Soft, sweet music swept in from adjoining rooms, and all that art, wealth and imagination could do was done to make the scene one of unexampled beauty. And then the feast! All the dishes which ingenuity could invent or the history of past extravagance suggest, were spread before the guests. The oldest and costliest wines known to the trade flowed like the water that leaped down the cascades in the banqueting hall. The guests were wild with exultation and delight and tarried far into the night. But in a few brief hours the romanticism had passed, the carousal was broken, and the revelers were face to face with the responsibilities which none of us can evade. The fool and his money had parted.

SILVER, GOLD AND DIAMOND DINNERS.

Some time after the "swan dinner" was given, three of the swell leaders of New York society planned to give each a handsome entertainment which should set all New York talking. Each instructed the head of the celebrated *cafe* to spare no expense and to make his dinner the best of the three. So magnificent were these entertainments that Lorenzo Delmonico designated them as the silver, gold and diamond dinners. Each had peculiarities which distinguished it from the others. At one of them each lady found snugly concealed in her napkin a gold bracelet with the monogram of Jerome Park in the center in chased gold.

DIAMOND VESTURE.

At one of the stated receptions given at the Executive Mansion during the first session of the Forty-ninth Congress, there appeared among the throng of exquisitely attired guests, the wife of a noted New York millionaire. She was accompanied by two trusted attendants, handsomely dressed in citizens' garb, who remained constantly with her, but slightly to the rear so as to keep perfect watch over her drapery. As she swept through the hall with her train and into the great east room, her raiment glistened until it almost seemed that a celestial constellation had descended from the skies to attend this reception. Her vesture was studded with a vast number of diamonds and other precious stones, valued above one million dollars! The climax of absurdity was reached and the utmost height of folly scaled. Does the reader for a moment think that the circle of wealthy snobs to which this lady belongs has any regard to republican institutions? On the contrary, every sensible person knows that they are the bitter foes to every democratic impulse, and their extreme wealth enables them to make their hostility aggressive and effective.

PRINCE ASTOR'S WEDDING.

In the year 1890, young Astor, a scion of the celebrated family which has so long been prominent in New York financial circles, was married. Both the groom and the bride represented millions of wealth and the wedding was an imposing and gorgeous affair. Twenty-five thousand dollars were expended on the day's ceremony. The presents were valued at $2,000,000, and the couple and their attendants and a number of friends, immediately departed on an expensive yachting cruise which was to cost them $10,000 a month to maintain. In speaking of these nuptials the

Christian Union said: "When we read this we are reminded of Thackeray's description of the extravagance of the Prince Regent during the Napoleonic wars:

"If he had been a manufacturing town, or a populous rural district, or an army of 5,000 men, he would not have cost more. The nation gave him more money, and more and more. The sum is past counting.

"Looked at soberly, the sums lavished upon our American commoners are as disgraceful to our institutions as were the squanderings of the Prince Regent to those of England. If the scandal is less it is because the disastrous concentration of hereditary wealth has as yet awakened less serious thought among us than the disastrous concentration of hereditary power had awakened in England. In the case of the Astors, quite as much as of the Prince Regent, the enormous sums expended are the gift of the Nation, obtained without compensating service on the part of the recipients. The burden upon the labor of the country is as great."

A SPORTSMAN'S DINNER.

Early in the present year, 1891, a well-known New York State Senator gave a notable banquet in honor of two distinguished citizens of that State, both of whom are prominently mentioned in connection with the nomination for the Presidency of the United States. The following description of the table and decorations appeared in the daily press at the time:

"The library is upon the second floor of the club house, known for years to residents of this city as the Stewart Mansion. It is a large room, grandly furnished, and just the place for a dinner of this limited proportion. The table has been especially constructed for the occasion, and it is said that for two days a landscape gardener and a florist were employed in decorating it. A glance at it made this appreciable. Most of those present were ardent sportsmen, and to this instinct the table appealed in the strongest measure. It looked like an immense marsh, just the place

for fowl, and up from the waters of the small lakes which dotted the view, four live diamond-backed terrapins shot up their heads every now and again and winked slyly at the guests. Cattail, ferns, grass and wild flowers hid the banks of the lakes, and amid this greenery stuffed wild waterfowl hidden, as if in the attempt to escape the guns of the sportsman. In the center of the pool lay the gnarled stump of an immense oak, and imbedded in this was a nest containing an egg for each of the guests."

THE BANKER'S BANQUET.

The following editorial appeared in the Kansas City *Times*, August 30, 1889:

"The contract for serving the banquet for the convention of the American Bankers' Association was yesterday awarded to C. M. Hill, of the Midland Hotel. There were sixty competitors. The price is such as to insure one of the finest banquets ever served in this country. No expense will be spared to make the affair a grand success, even aside from the *menu*. The banquet will be given in the Priests of Pallas' Temple, at Seventh and Lydia. It will be necessary to build and furnish an annex, where the cooking can be done for 1,500 covers. The preparations seem to take into contemplation a great flow of wine, as there will be six thousand wine glasses and about forty wine servers. There will be in all nearly three hundred waiters. It is estimated that the entire cost of the banquet will be from $15,000 to $20,000. Mr. Hill anticipates some difficulty in securing efficient waiters, and with this particular object in view, will make a trip to New York and Chicago."

This impious feast which took place in the very heart of the mortgage-ridden and debt-cursed West, was the most shocking and brazen exhibition of wanton extravagance and bad morals combined, which the laboring millions of America were ever called upon to behold. What a travesty upon common sense and the ordinary instinct of self-

preservation to intrust the finances of a great Nation and the welfare of labor to the hands of such men.

This carousal was but history repeating itself. It is not necessary in our day that an armless hand shall come out of the darkness and write the decree of Heaven upon the wall of the palace while the drunken carousal is being held, as in the time of Belshazzar; nor does it now require an expert Hebrew prophet, like Daniel, to disclose to the King that the sword is about to enter, and that a greater than Darius is thundering at the gates of Babylon, commissioned from on high to restore the stolen treasures of the temple, and to transfer the kingdom to another. Belshazzar and his courtiers were not first-class scholars, nor were they close students of passing events. Tyrants, and those who carouse and forget the poor rarely are. They could neither read the writing nor tell what it signified, and so they called in an expert—a man of simple habits—who preferred to mourn in captivity rather than to share in the robbery of his race or to enjoy the favor of the King. The writing in our day is in plain English, and the children of the captivity and all, except the drunken worshippers of mammon, can interpret its meaning without difficulty.

AT THE RICH MAN'S GATE.

About the time these princely entertainments were given, and in the same year with some of them, one of the metropolitan journals caused a careful canvass to be made of the unemployed of that city. The number was found to be *one hundred and fifty thousand persons who were daily unsuccessfully seeking work within the city limits of New York.* Another one hundred and fifty thousand earn less than sixty cents per day. Thousands of these are poor girls who work from eleven to sixteen hours per day.

In the year 1890, over twenty-three thousand families, numbering about one hundred thousand people, were forcibly evicted in New York City owing to their inability to pay rent, and one-tenth of all who died in that city during the year were buried in the Potters Field.

In the *Arena* for June, 1891, will be found a description of tenement house horrors, by Mr. B. O. Flower. He has done a valuable service to humanity by laying before the world the result of his investigations. After describing a family whose head was unable to find work, Mr. Flower says:

"This poor woman supports her husband, her two children and herself, by making pants at twelve cents a pair. No rest, no surcease, a perpetual grind from early dawn, often till far into the night; and what is more appalling, outraged nature has rebelled; the long months of semi-starvation and lack of sleep have brought on rheumatism, which has settled in the joints of her fingers, so that every stitch means a throb of pain. The afternoon we called she was completing an enormous pair of custom-made pants of very fine blue cloth, for one of the largest clothing houses in the city. The suit would probably bring sixty or sixty-five dollars, yet her employer graciously informed his poor white slave that as the garment was so large he would give her an *extra cent.* Thirteen cents for fine custom-made pants, manufactured for a wealthy firm, which repeatedly asserts that its clothing is not made in tenement houses! Thus with one of the most painful diseases enthroned in that part of the body which must move incessantly from dawn till midnight, with two small dependent children and a husband powerless to help her, this poor woman struggles bravely, confronted ever by a nameless dread of impending misfortune. Eviction, sickness, starvation—such are the ever present spectres, while every year marks the steady encroachment of disease and the lowering of the register of vitality. Moreover, from the window of her soul falls the light of no star athwart the pathway of life.

"In another tenement Mr. Flower found a poor widow with three children, making pants at twelve cents a pair. One of the children had been engaged, since she was two and one-half years old, in overcasting the long seams of the garments, made by her mother! In the attic of another tenement a widow was found weeping and working by the side of a cradle where lay a sick child, whose large luminous eyes shone with almost phosphorescent brilliancy from great cavernous sockets, as they wandered from one to another, with a wistful, soul-querying gaze. Its forehead was large and prominent, so much so that looking at the upper part of the head one would little imagine the terrible emaciation of the body, which was little more than skin and bones, and the sight of which spoke more eloquently than words of the ravages of slow starvation and wasting disease. The woman was weeping because she had been notified that if one week's rent was not paid on Saturday she would be evicted, which meant death to her child who was suffering from a rupture, and for whom she was unable to purchase a truss.

"The making at home of clothing, cigars, etc., in New York and Brooklyn is paid at prices on which no women could live were there not other workers in the family. Some of their occupations involved great risks to girls, such as the loss of joints, of fingers, of the hand, or sometimes of the whole arm.

"One of the official statisticans says upon this subject: 'The tenement house system of work and the large influx of foreign immigration in New York City affected women workers more than any other class of laborers. The moral condition of the working women is influenced for evil by the tenement house home in a way too vast for discussion here. One noteworthy cause of immorality is the taking of men as lodgers for the sake of extra income. Another is the long distance girls are compelled to traverse after dark, especially on leaving stores which remain open till ten or eleven o'clock on Saturday night. Another is the working of friendless young women in the metropolis, where they live without home restraint, suffering every conceivable discomfort, subject to long periods of idleness, which they often enter upon with an empty purse. And

yet, the truest heroism of life and conduct may be found here beneath rags and dirt. As far as ventilation is concerned, a properly regulated work-shop is the exception. The average room is either stuffy and close, or hot and close, and even where windows abound they are seldom opened. Toilet facilities are generally scant and inadequate, a hundred workers being dependent sometimes on a closet or sink, and that, too, often out of order.'

"There are many factories in the rooms of which from one hundred to two hundred women and men are packed like sardines in a box, with little or no ventilation, troubled by the inconveniences of steam, smoke, darkness, and all sorts of stenches intensified by heat. In many cases no provisions exist for escaping the danger of fire and other disasters. There are industries in which the rooms are constantly filled with dust, causing dangerous diseases of the organs of respiration. Rheumatism is caused by dampness in laundries, dyeing and meat packing establishments, canneries, etc. Rattling machinery has caused many women to become hard of hearing; excessive heat affects their entire system, and in food factories salt and spices give them asthma and bronchitis. Thousands of women who run sewing machines or are compelled to stand all day die of consumption and other diseases. The moral conditions of the shops vary with the nature of the occupation, the character of the foremen or forewomen, and the interest the proprietor takes in his employes. Wherever the sexes work together indiscriminately great laxity obtains, and in many an instance the employers openly declare that so long as their work is done they do not inquire or care how bad the girls may be.

"Considering the cost of living, wages are little, if any, higher in New York than in other cities.

"In some shops week workers are locked out for the half day if late, or docked for every minute of time lost, an extra fine being often added. Fining for bad work is general. The shop rules are stringent in most cases, and in certain industries wages are reduced by charges for machine rent, cotton, repairs, etc., to an extent not obtaining elsewhere. The seamstresses constitute the poorest class and a regular system of fraud is practiced upon these defenceless creatures. For instance: A standing advertisement is kept in

the papers asking for girls to do tailor sewing. When one applies she is told that it will take her several weeks to learn, but that good wages will afterwards be paid. The girl accepts and goes to work, and after four or five weeks demands pay. Then she is told she is not satisfactory and cannot be employed. Thus many hundreds of poor girls not only give their labor for nothing but supply their own machines to the fraudulent factory, thereby saving the bosses a considerable outlay.

"The boarding houses where working women are compelled to live have for the most part bare and filthy floors, broken or blackened window panes and rickety furniture. Meager meals of ill-selected and ill-cooked food, the sights, sounds and smells of the filthy surroundings—these constitute the home comforts provided by these cheap boarding and lodging houses. Two girls are sometimes crowded into a little hall chamber, carpetless and fireless; three, and even four share a larger room without comfort or convenience. The dining room is often the family kitchen, living room and laundry. The sleeping rooms are so cold in winter that failing utterly to keep warm until the hour for retiring, the girls are allured by the warmth and brightness of the dance houses and saloons, where they must of necessity, meet undesirable and unsafe acquaintances."

LAZARUS AT BOSTON.

The Rev. Walter J. Swaffield, of the Baptist Bethel, Boston, relates in the *Arena* for February, 1891, the following facts which came under his personal observation while visiting the poor of his parish:

"On the fifth floor of an over-crowded tenement house in the north end of Boston, a sick man, wife and six children were found huddled together in two dingy, smoky rooms, neither of them larger than 8x8, for which they had to pay one dollar and a half per week. The only means of support they had was the uncertain revenue derived by the woman for making pants. She could seldom earn more than two dollars and a quarter per week, leaving but seventy-five cents with which to clothe and support the

family. For six years that woman had worn the same dress, while the children had but one or a part of one garment apiece.

"Another family of seven persons, invalid husband, wife and five children were crowded in a room hardly large enough for two persons. All the furniture in the room was an old borrowed stove, one broken chair, and a broken bedstead, no cooking utensils. The children had scarcely a rag on them, and for their dinner was eating sliced raw potatoes. They had not tasted bread for three days, nor meat for weeks. One week after our visit, another child was born into the family, only to die of starvation and cold for the poor mother had no nourishment to give it, no fuel nor fire for two days, and was dependent upon the kindness of a widow in the next room for a warm place beside her fire.

"In another house was an American family of six persons living in two rooms rented at one dollar and a half a week. The man out of work, not a morsel of food in the place, no fuel or fire, the only articles of furniture being a stove, a small trunk, a dry goods box, and on the floor in the corner of the room a heap of seaweed which was their only bed. It had been gathered from the beach the day before.

"Not far from this family was found another room full of poor and suffering ones without food or fire, in the depth of winter. The four eldest children huddled together in bed at noontime to keep each other warm, while the hungry and crying baby was blue with cold in the bosom of its starving mother.

"A widow, left with five little children has to support herself and family, and pay one dollar and a half per week rent for two small rooms. Her only hope is in securing pants enough to make at fourteen cents a pair. In order to keep body and soul together she must teach the two little girls "Constance" and "Maggie," aged five and three how to sew, and thus do their part in keeping the wolf from the door. These two babies work early and late, the five-year-old seamstress overcasting the long seams of four pairs of pants a day, and the three-year-old dot managing to overcast two pairs. They handle the needle like professionals. Mother and two daughters together thus earn

from two dollars and a quarter to two dollars and a half a week, after paying rent having but a single dollar left to feed and clothe the whole family.

"The time of my visit was near the dinner hour, but all the preparation for the principal meal of the day was the stirring of corn meal into boiling water."

AT CHICAGO.

In the latter part of the year 1891, a committee from a Chicago Trade and Labor Assembly, at the request of a body of striking cloakmakers, made an investigation of the condition of that class of workers in the city. They were accompanied by an officer of the City Health Department, the City Attorney and artists and reporters of the local press. They found that thirteen thousand persons were engaged in the manufacture of clothing in Chicago, over one-half of whom were females. In order to reduce the cost of production the firms engaged in the manufacture of clothing have adopted the European Sweating System, which is in brief, as follows: The material for garments is cut to size and shape and delivered by the large firms to individual contractors known as sweaters, who relieve the firm of all other care or expense, taking the goods to what are known as sweating dens, usually located in the poorest neighborhoods of the great city. These sweaters are employed by the most opulent firms. The committee visited a large number of these dens, nearly all of which were dwelling houses which served as living and sleeping rooms for the sweater's family and the employes. In one room ten feet by forty, they found thirty-nine young girls, twelve children between ten and twelve years of age, eleven men and the sweater and his wife. The room and all the surroundings were filthy in the extreme. The rates of wages were of course very low, and yet the fear of discharge rendered it almost impossible

to obtain satisfactory information. The committee found two thousand one hundred children at work in these dismal places who were under age and employed in violation of existing laws against child labor. Sanitary laws were also overridden in all of these miserable abodes. We take the following from the report of the committee:

"The condition of the places visited was horrible. Overcrowding, long hours and low pay were the rule. Girls ten years old were found to be working ten and twelve hours a day for 80 cents per week. Ten girls were found, none over ten years old, who worked sixteen hours a day for from 75 cents to $1.20 per week. In a DeKoven street den were found a half dozen men working eighteen hours a day for from $4 to $9 per week. At 168 Maxwell street were found ten men that worked sixteen hours a day each and received $6.50 to $9 per week. In the same place were six girls working from two to fourteen hours a day whose weekly pay averaged $3. One child was found in a house that worked for 75 cents per week. At 455 South Canal street a girl was found who declined to tell what she received fearing she would be discharged, and discharge meant starvation. A 69 Judd street the wages of the men were found to be from $5 to $9 per week, and one child there received $1 per week. The women worked fourteen hours a day. The product of this shop was sold to Marshall Field & Co. At 151 Peoria street, is a cloak-finishing establishment. Here the women receive one and one-half cents each for finishing cloaks. One woman was found on the street with a bundle of cloaks she had finished. She said that by hard work she finished twenty cloaks a day and earned thirty cents. This supported herself and two babies. The place 258 Division street was by far the worst visited. Eleven men worked twelve hours a day and received $5 to $9.50 per week. Twelve children here worked twelve hours for 75 cents per week. The place was terribly crowded, there being no water or light."

And yet in the face of these glaring conditions, which are common in all of our populous cities, empty headed politi-

cal charlatans still vex the public with their puerile rant about protection for American labor.

DIVES IN HIS PALACE.

At the close of the year of our Lord 1891, while the Christian world was celebrating the lowly birth in the manger at Bethlehem, and while the wretched sweaters of Chicago were bending their aching backs in their dismal prisons, a wealthy merchant of that city moved into his resplendent mansion which had just been finished for his reception. He celebrated the event with a week of festivity. One of the local papers gave the following description of this palace:

"It is located on Michigan boulevard and Thirty-fourth street, and has been in the course of construction for nearly two years. Among its principal features is an immense ball-room, which includes a completely fitted stage, a complete barber shop, a music room, which is divided by Mexican onyx columns from a conservatory, and one of the finest private libraries in the country. On the floor of the drawing room is a large aubixon rug, woven in one piece, the cost of which alone was upwards of ten thousand dollars. The floor of the large reception room is of Italian marble mosaic, and one of its attractive features is an old moorish fireplace. The dining room walls are finished in old tapestry of almost fabulous value. The bath rooms are white marble and onyx, the main one having an onyx wainscoting five feet in height, and above this a frescoing of pond lily design. There are study rooms for the youthful members of the family, while the apartments that have been reserved for guests would almost compare with the descriptions that have been handed down of portions of the interior of Solomon's temple."

OUTER DARKNESS.

The following dispatch from London concerning the recent Westphalia strike, is enough to shock the sensibilities of christendom and fill the world with mourning:

London, April 28, 1891.—"A Berlin dispatch says that the severe measures of depression in Westphalia have had their effect and the strikers are thoroughly cowed. Many of their families are in a starving condition and expected remittances from Belgium and England have not arrived. The strikers are not permitted to hold meetings and if a few are seen gathering they are at once scattered by the police. Consequently they have little opportunity to arrange for common action."

AND HAS IT COME TO US SO SOON?

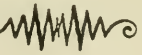
About the close of the recent Jackson Park World's Fair strike, we clipped from the columns of one of the Chicago dailies the following local editorial. Speaking of the poor strikers the paper said:

"The outlook discouraged them. None had any great supply of money and few had places to sleep. The outlook was altogether discouraging, and was made even more so by the action of the police, who broke up the picket lines as fast as they were formed, and even refused to allow them to congregate in any numbers.

About 9 o'clock in the morning a hundred or so weary strikers were stretched in the sun on the prairie near Parkside endeavoring to get some sleep, when word was passed for a meeting at Sixty-seventh street and Stony Island avenue. By 9:30 o'clock two hundred men had congregated there and Dr. Willoughby, the owner of the lot, objected. He notified the police that he did not want any trespassing on his premises, and Lieut. Rehm and a squad of ten officers were dispatched to the scene. He ordered the strikers to disperse, but they failed to obey with alacrity, and the police had to drive them off. There was some slight resistance, and several heads suffered in consequence from contact with policemen's batons."

We trust the brief pages of this chapter may suffice to call the attention of the reader to the ghastly condition of American society and to remind him of the imperative call which is made upon him as an individual to do all in his

power to arrest the alarming tendencies of our times. In the opinion of the writer, unless the people of America shall immediately take political matters into their own hands, the contrasts suggested in this chapter portend a tragic future. The millionaire and the pauper cannot, in this country, long dwell together in peace, and it is idle to attempt to patch up a truce between them. Enlightened self respect and a quickened sense of justice are impelling the multitude to demand an interpretation of the anomalous spectacle, constantly presented before their eyes, of a world filled with plenty and yet multitudes of people suffering for all that goes to make life desirable. They are calling to know why idleness should dwell in luxury and those who toil in want; and they are inquiring why one-half of God's children should be deprived of homes upon a planet which is large enough for all. The world will find a solution for these insufferable afflictions in the glorious era but just ahead. Even now the twilight discloses the outlines of a generous inheritance for all and we hear the chirping of sweet birds making ready to welcome with melody and gladness the advent of the full orbed day.



CHAPTER XIII.

THE PINKERTONS.

The spirit of the corporation is aggressive and essentially warlike. Having usurped Sovereign power by stealth when the people were slumbering—having seized the great instruments of commerce and captured the sources of wealth and the outlets of trade, the managers of these institutions naturally fear an outbreak among the victims of their rapacity. They quietly and very naturally seek to control Government—both State and National—and through them the army and militia. But they do not stop here. They equip an army of their own which they can call into active service at any time and transport with celerity from point to point. The skeleton of this organization is kept constantly in their employ. They have a Commander-in-chief, Allen Pinkerton, with a staff of subordinate officers, and generally the men employed under them are ignorant, insolent, cruel and blood-thirsty. From the best information which can be obtained they now number thirty-two thousand men, which makes the force about seven thousand stronger than the Regular Army of the United States. They are not all constantly employed but are subject to orders at any time.

The student of history will readily recall the historic parallel of this. The wealthy barons of Italy resorted to the same expedient under the feudal system. Single individuals controlled the vast sources of supply and owned

and dominated vast areas and even whole provinces of the country. These powerful barons kept in their employ a class of men called "bravos," whose brutal and lawless character rendered them the scourge of their time and a terror to the defenseless. They were expert in assassination and always at the bidding of those who desired to rid themselves of dangerous enemies or troublesome neighbors. The feudal barons find their counterpart in our railroad, iron, coal, and oil kings, and in the controlling spirits of the vast corporations and trusts of the country, whilst our modern Pinkertons answer to the bravos. The bravos were the hired and secret police of the wealthy barons. The Pinkertons are the hired police or rather the invisible standing army of our modern corporations; and both baron and corporate king, bravos and Pinkertons, owe their origin to the same causes, though operating in widely separated centuries.

The surrender of the Sovereign functions of Government to private individuals is a shameful betrayal of a sacred trust. When these Sovereign powers are used for the accumulation of vast and overshadowing private fortunes the outrage has culminated, and general discontent quickly ensues. This has been the result in all ages and among all peoples. When Government surrenders its rightful powers to individuals, to that extent it is dissolved—at least its powers are in abeyance, and the transition to force and violence is then both easy and natural. The baron himself sees and feels that it is unreasonable to expect the multitude to faithfully guard those who are depredating upon them, and hence some one must be hired for this purpose. When hired the bravo or Pinkerton recognizes his employer as his superior officer whom it is his duty to obey. Can any one call this Democratic Government? It is terrorism and force dealt out at the hands of mercenaries and

hirelings. Necessary force, prudently, but firmly exercised by the regular constituted authorities, always meets with the approval of well-disposed citizens and is rarely ever resisted, except where the repressive policy, long established, is unaccompanied by any effort or intention to remove abuses. Even under such circumstances men are more disposed to submit to injustice than they are to rebel. But chartered corporations for pecuniary profit exist only by usurpation, as we have demonstrated in our chapter on "Evolution in Crime," and the spirit of audacity remains with them. Having usurped the functions of the State they feel that they are the State, and do not hesitate to insolently exercise its power.

These hirelings now infest all our populous cities, prowl around every mining district and patrol every labor and manufacturing center in the country. If a strike or a lockout occurs, the Pinkertons are first to put in an appearance. Public sentiment is everywhere opposed to their presence and interference in labor troubles. But this does not deter them in the least. They do not command the peace. They terrorize the people and provoke to riot. It is the State's duty to protect both life and property as well as to keep the peace between its subjects. A failure to discharge this duty breeds distrust and seriously undermines popular respect for the authority of the state.

Some of the States of the Union are completely dominated by corporate influence and even recognize the Pinkerton policy in their laws. This is notably the case in Pennsylvania. The following laws enacted in 1865–6, are now in full force in that State:

"19. Any corporation owning or using a railroad in this state may apply to the Governor to commission such persons as said corporation may designate, to act as policeman for said corporation.

"20. The Governor, upon such application, may appoint such persons, or so many of them as he may deem proper, to be such policemen, and shall issue to such persons, so appointed, a commission to act as such policemen.

"21. Every policeman so appointed shall, before entering upon the duties of his office, take and subscribe the oath required by the eighth article of the Constitution, before the recorder of any county through which the railroad, for which said policeman is appointed, shall be located; which oath, after being duly recorded by such recorder, shall be filed in the office of the Secretary of State, and a certified copy of such oath, made by the recorder of the proper county, shall be recorded with the commission through or into which the railroad for which the policeman is appointed, may run, and in which it is intended the said policeman shall act; and such policeman so appointed, shall severally possess and exercise all the powers of policemen in the city of Philadelphia, in the several counties in which they shall be so authorized to act as aforesaid, and the keepers of jails or lock-ups or station-houses, in any of the said counties are required to receive all persons arrested by said policemen for the commission of an offense against the laws of this Commonwealth, upon or along said railroad, or the premises of any such corporation, to be dealt with according to law.

"22. Such railroad police shall, when on duty, severally wear a metallic shield, with the words "railway police," and the name of the corporation for which appointed, inscribed thereon; and said shield shall always be worn in plain view, except when employed as detectives.

"23. The compensation of such police shall be paid by the companies, for which the policemen are respectively appointed, as may be agreed upon between them."

By the act of April 11, 1866, the above act was extended so as to embrace "all corporations, firms, or individuals owning, leasing or being in possession of any colliery, furnaces, or rolling mills within the commonwealth."

The words "Coal and Iron Police" are engraved on the shield of policemen appointed under this act.

WHAT IT MEANS.

This statute simply transfers to the corporations, and even to individuals, the most delicate and one of the most important powers of the State, the power to preserve the public peace and to protect the life and the property of citizens. It makes the superintendent of the rolling mills, the colliery, the furnace, or the yardmaster at a railroad station, the judge of when life shall be taken or when the citizen shall be deprived of his liberty. It will be noted that these corporation policemen wear the badge of their masters and are paid by them, and, of course, are subject to their orders. When, however, it suits the wishes of the corporation managers to send "detectives among their workmen to insnare them and to manufacture excuses for their discharge or arrest, then, as the reader will observe, the law provides that the badge or shield may be omitted. The corporation may then send hired spies among the toilers, bearing the commission of the State and receiving such compensation as may have been "agreed upon" between themselves and their masters. The State is thus made a party to the petty persecutions of those whose business it is to put labor to the rack and becomes a party to a system of surveillance which is both despicable and cruel. This tends to violence and public tumult and is subversive of good order and social security.

HOW IT OPERATES.

The recent Chicago strikes, the street car strikes at New York, the long to be remembered railroad strike in the Southwest and the troubles of 1886–7, in the Pennsylvania coal regions, as well as the more recent bloody encounters in the coke manufacturing sections of that State, have all been aggravated by the presence of these hirelings.

The bloody transaction which took place at the Morewood works, near Greensburg, Pa., on the morning of April 2, 1891, will serve to illustrate the operation of the statute given above, and will call attention to the direful consequences which are sure to follow the introduction of corporation police and spies into American labor districts and cities. The following account is taken from the associate press dispatch concerning the Greensburg affair which appeared in all the papers of April 2, 1891:

"The deputies who took part in the riot were all full grown, experienced men, and they were armed to the teeth. More deliberate arrangements for contemplated trouble were never made. Last night Superintendent Picard summoned his deputies and told them a raid was contemplated on the works. He formed them into a line and examined the firearms of each one. He then presented them with Winchester rifles, drilled them in the use of the weapon and ordered them on duty. When they were retiring Superintendent Picard, said:

"I will be in command. I have received positive information that our works are to be raided. I have promised protection to our men and I must give it. When the raiders come, obey me. Fire the first shot into the air. If the raiders do not retreat, fire the second shot and keep on firing while you have ammunition. Protect the company's property, protect the men at work and protect your own lives. The man in my employ who runs I will shoot dead on the spot. Any man who is not willing to accept my terms will please drop into the rear and I will send him home under guard.

"There was no one dropped back. All the deputies looked grim and serious and awaited further orders.

"Is everybody satisfied?" asked the Superintendent.

"Yes, yes all," rang out all along the line. Each man was provided with twenty-six cartridges and taken to a convenient point."

"Superintendent Picard," who was "in command" was an employe of the corporation whose works were supposed

to be in danger, and was acting under the authority of the Pennsylvania statute above recited. The men under him were hired police and their names were on the corporation pay-roll.

On the morning of April 2, a company of laborers were observed marching up the street in the direction of the Company's stables. This was taken as foreshadowing an attack upon the Company's property, and the "deputies" were at once ordered to open fire. Result, nine men killed and twenty-seven wounded. Accounts differ as to the provocation. Grave doubt is expressed by disinterested citizens as to whether there was any purpose on the part of the strikers to harm either persons or property, and the question as to who gave the order to fire is in dispute between the Superintendent and his lackeys. This dispute of itself shows the absence of any well defined provocation; for if there was any imminent danger there would be no disposition to deny giving the order. One of the strikers made the following statement concerning the firing:

"I was with the body of men on the bridge and stopped for a moment to light my cigar. There is no doubt that rumors of bombs had filled the minds of the guards, for they took the lighting of my cigar as portending something dangerous. The guards then fired directly toward the point where I stood and the men fell all around me. We fled instanly, only leaving men enough to stand by our fallen comrades, some twenty in all. After the shooting I heard some one in command of the guards exclaim: "Don't be too quick."

Another dispatch dated April 2, 1891, announced the arrival of five hundred Pinkerton detectives in the coke regions. Their introduction caused great indignation and exasperation among the laborers as might well have been expected.

It is the plain duty of the Governors of the various States to forbid the presence of private police within their States and especially at points where trouble is anticipated. And if they make their appearance they should be dealt with like all disturbers of the peace and be punished for their unlawful assumption of power. Where the laws wink at the use of such police force, the Governor, as the law is not mandatory, should refuse to appoint and commission them. There is ample power in the various States to preserve the peace and to protect life and property without the assistance of these modern bravos.

State Legislatures should at once pass stringent laws forbidding the employment of this disturbing force within their borders. They are only calculated to precipitate riots and bloodshed, and they endanger both life and property. It is the solemn duty of the State to protect the lives and property of its citizens, and regularly constituted officials should always be in command in times of public danger.

CHAPTER XIV.

TRUSTS.

A Trust is defined to be a combination of many competing concerns under one management. The object is to increase profits through reduction of cost, limitation of product and increase of the price to the consumer. The term is now applied, and very properly, to all kinds of combinations in trade which relate to prices, and without regard to whether all or only part of the objects named are had in view.

Combinations which we now call trusts have existed in this country for a considerable period, but they have only attracted general attention for about ten years. We have in our possession copies of the agreements of the Standard Oil and Sugar Trusts. The former is dated January 2, 1882, and the latter August 6, 1887.

Trusts vary somewhat in their forms of organization. This is caused by the character of the property involved and the variety of objects to be attained. The great trusts of the country consist of an association or consolidation of a number of associations engaged in the same line of business—each company in the trust being first separately incorporated. The stock of these companies is then turned over to a board of trustees who issue back trust certificates in payment for the stock transferred. The trust selects its own board of directors and henceforth has complete control of the entire business and can regulate prices, limit or

stimulate production as they may deem best for the parties concerned in the venture. The trust itself is not necessarily incorporated. Many of the strongest, such as the "Standard Oil Trust," the "Sugar Trust," and "The American Cotton Seed Oil Trust" and others are not. They are the invisible agents of associated artificial intangible beings. They are difficult to find, still harder to restrain and so far as present experience has gone they are practically a law unto themselves.

The power of these institutions has grown to be almost incalculable. Trustees of the Standard Oil Trust have issued certificates to the amount of $90,000,000, and each certificate is worth to-day $165 in the market, which makes their real capital at least $148,500,000, to say nothing of the added strength of their recent European associations. They have paid quarterly dividends since their organization in 1882. The profits amount to $20,000,000 per year. The Trust is managed by a Board of Trustees all of whom reside in New York. The combine really began in 1869, but the present agreement dates no further back than January, 1882. The only record kept of the meetings of these Trustees is a note stating that the minutes of the previous meeting were read and approved. The minutes themselves are then destroyed. These facts were brought to light by an investigation before the New York Senate February, 1888. Col. George Bliss and Gen. Roger A. Pryor acted as council for the people and a great many things were brought out concerning the Standard, and a multitude of other combines, which had not before been well understood. John D. Rockefeller, Charles Pratt, Henry M. Rogers, H. M. Flagler, Benjamin Brewster, J. N. Archibald, William Rockefeller and W. H. Tilford are the trustees and they personally own a majority of the stock. Seven hundred other persons own the remainder. This trust holds

the stock of forty-two corporations, extending into thirteen States. The Cotton Seed Oil Trust holds the stock of eighty-five corporations extending into fifteen States.

Trust combinations now dominate the following products and divisions of trade: Kerosene Oil, Cotton Seed Oil, Sugar, Oat meal, Starch, White Corn Meal, Straw Paper, Pearled Barley, Coal, Straw Board, Lumber, Castor Oil, Cement, Linseed Oil, Lard, School Slate, Oil Cloth, Salt, Cattle, Meat Products, Gas, Street Railways, Whisky, Paints, Rubber, Steel, Steel Rails, Steel and Iron Beams, Cars, Nails, Wrought Iron Pipes, Iron Nuts, Stoves, Lead, Copper, Envelopes, Wall Paper, Paper Bags, Paving Pitch, Cordage, Coke, Reaping, Binding and Mowing Machines, Threshing Machines, Plows, Glass, Water Works, Warehouses, Sand Stone, Granite, Upholsterers' Felt, Lead Pencils, Watches and Watch Cases, Clothes Wringers, Carpets, Undertakers' Goods and Coffins, Planes, Breweries, Milling, Flour, Silver Plate, Plated Ware and a vast variety of other lines of trade.

The Standard Oil and its complement, the American Cotton Oil Trust, were the advance guard of the vast army of like associations which have overrun and now occupy every section of the country and nearly all departments of trade. The Standard has developed into an international combine and has brought the world under its yoke. In 1890 the largest German and Dutch petroleum houses fell under the control of the Standard Oil Company, and the oil importing companies of Bremen, Hamburg and Stettin were united by the Standard into a German-American Petroleum Company, with its seat at Bremen. In 1891 the Paris Rothchilds, who control the Russian oil fields, effected a combination with the Standard Oil Trust, which makes the combine world wide; and so far as this important article of consumption is concerned, it places all mankind at their mercy.

Our information concerning this international oil trust is derived from the report concerning the Petroleum Monopoly of Europe by Consul-General Edwards, of Berlin, made to the Secretary of State, June 25, 1891, and published in Consular Reports No. 131.

Now that the Petroleum Combine has accomplished the conquest of the world, what is to hinder every other branch of business from accomplishing the same end? The Standard has led the way and demonstrated the feasibility of such gigantic enterprises and others will doubtless be quick to follow. Already, indeed, the Anthracite coal barons have followed their example so far as this country is concerned, and the "Big Four," who control the meat products of this country, have reached out and subsidized the ship room and other facilities for international trade in that line. We hear also well authenticated rumors that other combinations, looking to the complete control of every branch of mercantile business, are already in existence and making what they regard as very satisfactory progress.

The Sugar Trust, which now fixes the price of 3,000,000,000 pounds of sugar annually consumed in the United States, is managed upon substantially the same plan as the Standard Oil Trust, and so, in fact, are all of the great combines. They rule the whole realm of commerce with a rod of iron and levy tribute upon the country amounting to hundreds of millions of dollars annually—an imposition which the people would not think for a moment of submitting to if exacted by their Government.

ARE TRUSTS LEGAL?

It is clear that trusts are contrary to public policy and hence in conflict with the Common law. They are monopolies organized to destroy competition and restrain trade. Enlightened public policy favors competition in the present

condition of organized society. It was held in 1880, Central Ohio Salt Company *vs.* Guthrie, 35 Ohio St., 666, that a trust was illegal and void. The Pennsylvania courts held the same way against the Coal Trust of that State. Morris Coal Company *vs.* Vorday, 68 Pa. St., 173.

In 1869 a coal company in New York had contracted to buy coal from several firms upon condition that they would not sell coal to other persons in that locality. The party buying the coal did not pay for it, whereupon suit was brought to collect. The court refused to enforce the bargain, holding that the contract was illegal. Arnot *vs.* Pittison Coal Company, 68 N. Y., 558. The same rule was upheld by the courts at Louisiana in 1859. In Illinois a Grain Dealer's Combine was held to be illegal. The question arose in a suit brought to compel a proper division of the profits. The court refused to enforce the agreement. See Croft *vs.* McConoughy, 79 Ill., 346. The same character of decisions will be found in perhaps a majority of the States. Indeed, since the days when Coke was Lord Chief Justice of England, more than a century and a half ago, the courts in both England and America have held such combinations to be illegal and void. See "Case of the Monopolies," 11 Coke, 84.

It is contended by those interested in Trusts that they tend to cheapen production and diminish the price of the article to the consumer. It is conceded that these results may follow temporarily and even permanently in some instances. But it is not the rule. When such effects ensue they are merely incidental to the controlling object of the association. Trusts are speculative in their purposes and formed to make money. Once they secure control of a given line of business they are masters of the situation and can dictate to the two great classes with which they deal—the producer of the raw material and the consumer of the

finished product. They limit the price of the raw material so as to impoverish the producer, drive him to a single market, reduce the price of every class of labor connected with the trade, throw out of employment large numbers of persons who had before been engaged in a meritorious calling and finally, prompted by insatiable avarice, they increase the price to the consumer and thus complete the circle of their depredations. Diminished prices is the bribe which they throw into the market to propitiate the public. They will take it back when it suits them to do so.

The Trust is organized commerce with the Golden Rule excluded and the trustees exempted from the restraints of conscience.

They argue that competition means war and is therefore destructive. The Trust is eminently docile and hence seeks to destroy competition in order that we may have peace. But the peace which they give us is like that which exists after the leopard has devoured the kid. This professed desire for peace is a false pretense. They dread the war of competition because the people share in the spoils. When rid of that they always turn their guns upon the masses and depredate without limit or mercy. The main weapons of the trust are threats, intimidation, bribery, fraud, wreck and pillage. Take one well authenticated instance in the history of the Oat Meal Trust as an example. In 1887 this Trust decided that part of their mills should stand idle. They were accordingly closed. This resulted in the discharge of a large number of laborers who had to suffer in consequence. The mills which were continued in operation would produce seven million barrels of meal during the year. Shortly after shutting down the Trust advanced the price of meal one dollar per barrel and the public was forced to stand the assessment. The mills were more profitable when idle than when in operation.

The Sugar Trust has it within its power to levy a tribute of $30,000,000 upon the people of the United States by simply advancing the price of sugar one cent per pound for one year.

If popular tumult breaks out and legislation in restraint of these depredations is threatened, they can advance prices, extort campaign expenses and corruption funds from the people and force the disgruntled multitude to furnish the sinews of war for their own destruction. They not only have the power to do these things, but it is their known mode of warfare and they actually practice it from year to year.

The most distressing feature of this war of the Trusts is the fact that they control the articles which the plain people consume in their daily life. It cuts off their accumulations and deprives them of the staff upon which they fain would lean in their old age.

THE REMEDY.

For nearly three hundred years the Anglo-Saxon race has been trying to arrest the encroachments of monopoly and yet the evil has flourished and gained in strength from age to age. The courts have come to the aid of enlightened sentiment, pronounced all such combinations contrary to public policy, illegal and their contracts void; and still they have continued to thrive. Thus far repressive and prohibitory legislation have proved unavailing. Experience has shown that when men, for the sake of gain, will openly violate the moral law and infringe upon the plain rights of their neighbors, they will not be restrained by ordinary prohibitory measures. It is the application of force to the situation and force must be met with force. The States should pass stringent penal statutes which will visit personal responsibility upon all agents and representatives of the trust who aid or assist in the transaction of its business

within the State. The General Government, through its power to lay and collect taxes, should place an excise or internal revenue tax of from 25 to 40 per cent on all manufacturing plants, goods, wares or merchandise of whatever kind and wherever found when owned by or controlled in the interest of such combines or associations, and this tax should be a first lien upon such property until the tax is paid. The details of such a bill would not be difficult to frame. Such a law would destroy the Trust root and branch. Whenever the American people really try to overthrow these institutions they will be able to do so and to further postpone action is a crime.

WHAT OF THE FUTURE?

One of the main charges against Charles the First, was that he had fostered and created monopolies. His head went to the block. Nearly every great struggle of the English race has been caused by the unjust exactions of tribute—against the extortions of greed. Our own war for Independence was a war against taxes. Our late internal struggle was for the freedom of labor and the right of the laborer to possess and enjoy his own. That struggle is still on and it is now thundering at our gates with renewed energy. It will not down, though the Trust heap Ossa upon Pelion. The people will rise and overturn the despoilers though they shake the earth by the displacement.

These vast struggles are great teachers and the world is learning rapidly. We are coming to know that great combinations reduce the cost of production and soon the world will grasp the idea that the people can combine and protect themselves. In this combine, in this co-operation of all, there will be no discrimination and the bounties of Heaven will be open alike to the weak and the powerful. We welcome the conflict. There is no time to lose nor can the battle begin too soon.

CHAPTER XV.

NATIONAL BANKS.

The fundamental vice which underlies the National banking system is this: It is the surrender of one of the highest duties and powers of the Government to the control of private speculators to be used for personal gain. It is an attempt to harmonize the interests of private adventure with the demands of the whole people at all times for a stable and adequate money supply.

The experience of mankind, and particularly of this country, exhibits this oft repeated folly in a light which shows it to be little short of a stupendous crime. It is safe to say that there never was a bank of issue, in any country, which did not regulate the volume of its circulating notes, from first to last, in the interest of the stockholders as contra-distinguished from the interests of the public. General Jackson reduced the whole story to a single theorem when he declared that "the banks could not be relied upon to keep the currency uniform in amount." Those interested in banks of issue and the public at large are necessarily at cross-purposes. The man who has money to loan prefers that it shall be scarce in the market and the demand for it great. Those who are engaged in productive industry desire just the reverse—that it shall be plentiful and the demand light. The former theory makes usury the dominant business of the country, the latter exalts productive industry to the controlling position in the State.

All civilized nations exist by cultivating the soil and by commercial pursuits which result therefrom. We draw our sustenance from the earth. The grain, the delicious fruit, animal food, our raiment and our shelter—all are directly or indirectly derived from the soil. But the products of the earth are bulky, cumbersome and hence difficult to exchange. If the world were restricted to barter our crops would decay in the fields and rot in our bins. To make the product of the earth available to modern society some method of transferring—some medium of exchanging commodities must be found. The State does not claim the power to designate by law who shall engage in agriculture, who in horticulture, who in this calling and who in that. All this is wisely left to individual choice. But it is apparent that the creation of the medium by means of which all commodities are to be exchanged is beyond the scope of individual enterprise. To confide it to individual pursuit is to introduce chaos instead of order, conflict instead of concord.

The power to designate our circulating medium and the duty of supplying the same are properly lodged in trust with the law making body which represents the whole people. Every charter, therefore, held by a bank of issue is a confession under seal of a gross betrayal of this public trust. It is manifest that the power which all the people and the very construction of society demand shall be withheld from individual control and lodged in the Government cannot be surrendered by our law makers without the grossest betrayal of public duty.

Would it were within our power to chain the attention of the reader to this one thought and to render it impossible for him to advance or to lay down this book, until the criminal enormity of this feature of our financial system is completly understood. Realizing fully the correl-

ative duties of Government to make the money for the people and to prescribe the channels through which it shall pass into circulation, we would arouse him to the fact that his Government, with this sacred work in charge, actually passes the public credit to associated speculators at one per cent per annum on the dollar, and then authorizes these favorites to dole it out to the people at six, eight, ten and twelve times as much interest as they pay to the Government for its use. That this is the exclusive and only channel through which this monetized public credit can reach the people, and that no citizen can get a dollar of it except upon the terms prescribed by these commissioned usurers who are authorized to extort toll from the people that they may place it in their own private purses! What right have these men to sell the public credit? It does not belong to them. Whence did Congress derive the power to sell it to anybody? Unfortunately the people have not thus far fully realized the great wrong under which they are suffering. They all feel the effect, but the majority have been blind to its cause. It seems beyond the pale of belief that our Government, in searching for a proper channel through which to put out the money, would deliberately pass by the great army of wealth producers, the tax-payers and those who must be relied upon to defend the flag, and select an association of speculators and throw the money into their laps and clothe them with the power to tax the people for its use. Had we not read the law and witnessed its operations for a full quarter of a century it would indeed be difficult for us to credit the statement. And yet this is exactly what the Government has been doing all these years and is doing to-day.

The first act authorizing our present system of National banks was passed February 25, 1863—just one year after the act was passed authorizing the issue of Legal tender

notes. But no banks went into operation under this act. State bank managers were at first hostile to the scheme, and besides they were then engaged in their gold speculations and in the work of depreciating Government notes which would prepare them to go into the National banking business full handed later on.

Finally on June 3, 1864, an act was passed (13 Statutes page 99) repealing the act of 1863, and authorizing the State banks to be converted into National banks and making various other changes satisfactory to the moneyed interests.

Thus far no National bank notes had been issued. By the report of Hugh McCulloch, Comptroller of the Currency, of December 25, 1864, we are informed that at that date banks had been organized with an aggregate circulation of only $65,864,650, "a considerable portion of which had not been put into circulation."

We mention this in order to correct an error common among the people which induces many to believe that the National banks came to the rescue of the Government in time of public peril. It would seem from the statement of the Comptroller that their arrival on the field of danger was a little tardy. Not a dollar of their notes was ever paid out to the army, nor did they fairly begin to issue them until the war was practically at an end. It is clear that the banks were not in the rescuing business during the war, as has been abundantly shown in our chapter on "Finance in War and Peace."

The circulation of the National banks reached its maximum in 1875, when it was $354,408,008. Since this date, taking the whole period together, there has been a steady decline in the sum total of their circulating notes until today, as we are informed by an official statement received from the present Comptroller, dated July 2, 1891, it has

fallen, after deducting lawful money on deposit to retire circulation, to $126,974,021. This decline of $227,433,987, during the past sixteen years, in the volume of circulating medium has taken place notwithstanding the constant increase in the total number of National banks, and in spite of the constant expansion of population and trade in every part of the country. If these had been Government Legal tenders instead of National bank notes they would have remained in circulation all this period to bless the country. The banks have largely increased in number, while their circulating notes have greatly diminished. It will doubtless be urged that the decline in circulation has resulted from the payment by the Government of the bonds upon which it was based. Grant this to be true. It exhibits in the strongest possible light the folly of the system. It is a confession that the house was built upon the sand when the proprietor and the workmen knew that the floods were coming. Sound financial policy demands that when a dollar is once put in circulation it should never be withdrawn. If destroyed it should be replaced by another. As population multiplies, an increase of money is as essential as an increase of food and raiment.

But in truth the National bank notes were not retired because the bonds were called in for payment. In every instance it has been voluntary and governed solely by self interest. It was because more money could be made and more power secured by retiring the circulation than by keeping it afloat. The welfare of the people did not enter into the circulation. A vicious law had placed a premium on bonds which was greater than the enormous profits to be derived from the use of currency obtained at the cheap rate of only one per cent per annum. When that temptation occurred the banks did not hesitate to retire their currency and to strike down at a single blow every struggling

industry in the land. This was a ghastly exposure of the deadly faults underlying the system, but they were not embarrassed on that account. When the forbidden fruit was presented they availed themselves of it regardless of consequences. Nothing could so completely establish the fact that the American people are within the hands and completely at the mercy of a lot of grinding speculators, as the enormous decrease in the volume of bank notes which the above figures exhibit.

But the most astounding fact in connection with the National banking system was the provision of the law (Section 4, Act June 20, 1874,) which expressly permitted the banks to retire their circulating notes "in whole or in part," by depositing with the Treasury an equal amount of lawful money for their redemption.

Another provision permits them to go into liquidation at will. The first provision has been amended so as to restrict the amount of notes retired to not more than $3,000,000 per month in the aggregate, but the power of the banks, one or all, to go into liquidation and thus retire all their notes, still exists. These provisions authorizing the banks to contract the currency at will, are solemnly conferred by act of Congress without any provision whatever for the issue of other money to take the place of notes so retired. A corresponding power is also conferred upon the banks to issue notes whenever they desire to do so without regard to limit. (Sec. 3, act January 14, 1875). They have a carte blanch to do as they please, and to increase or diminish the supply at will. If the Government had offered a reward for the most skillfully constructed scheme by which productive industry could be placed permanently and securely under tribute to speculators and idlers, the authors of the National banking system would have been entitled, without question, to a reward and to a diploma for their ingenuity.

IMPORTANCE OF SECURITY AND STABILITY.

The Government of the United States is designed to be permanent. Each generation is expected to cherish and defend it with their lives and fortunes. Every patriotic citizen of the Great Republic fondly hopes that the Centuries, as they slowly pass by in their majestic march, may shower only immortelles upon us, and that the security, prosperity and happiness of our people may forever avouch our right to exist among the nations of the earth.

The most important security which the Nation can have in this respect is a permanent and adequate financial system. This should be constructed in harmony with our theory and form of Government, and should be as enduring as the flag which floats over us and as secure as the Constitution itself. Our financial structure should rest upon the stability, be backed by the authority, and run parallel with the life of the Nation. Money is to Society what munitions of war are to an army. An army poorly equipped and inadequately supplied is an object of pity and derision. But what shall we say of the social structure when built upon a feeble and vicious financial foundation —when it depends for its strength and efficiency upon the speculative interests of a lot of adventurers? Are we not justified in characterizing it as an abomination? It is built to explode. The deadly train is laid and only awaits some sudden concussion—some accidental spark—to ignite it and hurl everything into confusion and ruin. Let us suppose that there was some power which could deprive an army of one half of its guns just as they were going into battle, or could stealthily withdraw a large share of their ammunition without the knowledge of the soldiers, just as they were to engage the enemy. Could we reasonably look for anything but death and defeat under such circumstances?

Such a foe would be infinitely more dangerous than an armed enemy, and such a state of affairs would be justly regarded as the chief peril of war. Is it not equally as fatal for the Government of the United States to place its people, with all their sacred interests, at the mercy of those who seek to coin money out of every vicissitude of life? Have they ever hesitated to take advantage of public misfortunes?

The system is not only fraught with the possibility of disaster, but its actual workings are positively ruinous to general business thrift and security. The homes which would have been saved, the fortunes which would have been made and the bankruptcies which would have been avoided during the past sixteen years, had the two hundred and twenty-seven million of National bank notes been kept in circulation instead of being retired, is beyond the power of the human mind to even conjecture. Those who have witnessed this outrage and have been conscious of its perpetration, but have failed to openly condemn and denounce it, are *particeps criminis* before God and mankind to all the crime, wreckage and plunder which have resulted from the system.

FOREIGN INFLUENCE.

Soon after the charter of 1816 was granted to the Bank of the United States, foreign capital became largely interested in its stock. This quickly involved the foreign stockholders in American politics. President Jackson, in his message to Congress in 1832 and 1833, concerning the Bank, expressly urged the fact of this foreign intermeddling as good reason for withholding the renewal of the charter. The present National banks are subject to the same criticisms and they have followed in the footsteps of the old bank. The comptroller of the currency in his re-

port, December 6th, 1880, page 3, asserts that persons residing "in twenty-five countries in Europe, Asia and Africa," at that time held shares in our National banks. As time advances the tendency is for this character of influence to increase. It opens up an avenue through which foreign influence and intrigue can exert their baleful powers. No rightminded American citizen can be willing for non-resident alien investors to have a voice in determining our money supply. But this is unavoidable under the system which we are now discussing.

NON-RESIDENT INFLUENCE.

The special advantages offered by this system also induces large numbers of non-residents to become stockholders and directors of banks located at points remote from their domiciles. The share-holders, and their customers are strangers to each other and have no common bond of sympathy. Concerning non-resident influence, the Comptroller, in his report for 1889, pages 12 and 13, says:

"The extent to which this is true is not fully understood. For example, if the group of States known as division No. 6 is taken, composed of Iowa, Minnesota, Missouri, Kansas and Nebraska, it will be found that the capital of the 520 associations in operation there on June 30, 1889, is represented by 647,501 shares, of which 212,305 are held by non-residents, mostly located in the extreme east.

"In division No. 8, comprising the States and Territories known as North Dakota, South Dakota, Idaho, Montana, New Mexico, Utah, Washington, Wyoming and Arizona, it will be found that more than one-third of the total number of shares of National banks are held by non-residents; residents, 82,196 shares; non-residents, 47,654 shares."

One-third of the shares of the Minnesota banks are held by non-residents. Two-thirds of the shares held in Kansas banks, half of the shares of the Dakota banks, nearly half of the shares in the Washington banks and more than half

in the Wyoming banks, are held by the same class of investors.

A PROFITABLE BUSINESS.

The National banking system has been in operation twenty-eight years with an average circulation per year for the whole period of about $250,000,000. This would require on the average, $275,000,000 bonds upon which to base circulation. If we average the interest on the bonds during the whole period at five per cent, which is fair, it would amount to $12,500,000 per annum, and for twenty-seven years it reaches the enormous sum of $337,500,000. This interest was all paid in gold. From 1864 to 1879—fifteen years, gold bore an average premium of twenty-nine per cent as shown by the Treasury tables. The premium on this gold interest for one year would be $3,525,000, and for the fifteen years during which the average premium existed, it would be $52,875,000. Add this to the $337,500,000 and we have $390,375,000 realized in interest and premium on interest paid in gold.

PROFIT ON BONDS.

The bonds were purchased with greenbacks at their face value which cost in gold on the average, not to exceed fifty cents on the dollar, giving another net profit of $137,500,000. Add this to the $390,375,000 and we have $527,875,000 in return for an original outlay of only $137,500,000 in gold.

PROFIT MADE UPON THEIR NOTES.

The National banking law authorizes the banks to loan their notes at the lawful rate of interest in the State or Territory where the bank is located, and to take the interest in advance. The rate in the States varies between 6 and 10 per cent. In most of the Territories there was no limit for

many years. The average will reach 8 per cent. This rate upon $250,000,000 average circulation per annum will give $20,000,000, and for twenty-eight years a grand aggregate of $560,000,000. Add this sum to the $527,875,000 and we have a return of $1,087,875,000 on the original investment of $137,500,000 in gold.

PROFITS ON INDIVIDUAL DEPOSITS.

From the very organization of the system deposits in National banks have always been large. Let us average the sum at only $800,000,000 per annum for the period of twenty-eight years, and we will reckon the rate on loans at 8 per cent. simple interest. This would give us $1,792,000,000 which, when added to the $1,067,875,000, gives us the vast sum of $2,859,875,000—a profit equal to the entire National debt at the close of the war, in return for an original investment as before stated, of only $137,500,000 in gold. It should be kept in mind that we have in the above calculation of profits simply followed the average of $275,000,000 of bonds deposited to secure circulation, the circulating notes obtained thereon and the profitable privileges and advantages resulting therefrom. We have taken no account of the profits on the large amount of capital stock not represented by the bonds deposited to secure circulation.

INCIDENTAL PROFITS.

The banks have had, during the whole period of their existence, a large amount of public money on deposit in addition to individual deposits, which they have used and to some extent, are still permitted to use as current funds. It is much below correct figures to say that the public funds constantly in use by them will average at the lowest calculation, $15,000,000 per annum, for twenty-eight years. Here is a handsome little income of $1,200,000 calculated

at eight per cent. Then the premium on bonds other than those held to secure circulation, which resulted from a cunning provision of the law which deprived the Government of the power to pay its debts whenever it might have available funds. This has amounted to hundreds of millions more.

In the Forty-ninth Congress the writer had the honor of calling public attention to the abuse of depositing public money in National banks. At that time there were $52,000,000 of public money in the various banks throughout the States. The names of the banks were given and the amount held by each, and the whole expose was printed in the Congressional Record at the time. In December, 1878, in response to a resolution of inquiry adopted by the House of Representatives, the Secretary of the Treasury was forced to disclose the fact that he had, during the six months immediately preceding the month of December, of that year, kept on deposit in the First National Bank of New York, an average of $30,000,000 per month of the public funds, and that during one month he had on deposit there $45,000,000 of funds belonging to the Treasury, for the use of which the bank did not pay to the Treasury one single penny. The capital stock of this bank was only $500,000. This was done in the face of the fact that a sub-Treasury of the United States, where this money could be safely kept, was located within a stone's throw of the bank. The value of the Government deposits to that bank during the period mentioned, estimating the interest realized at six per cent, was $765,000, a sum larger than its whole capital stock!

Besides all this, the one item of buying and selling bills of exchange and discounting negotiable paper is of itself a very great source of profit. Again, as a rule, the interest on all loans is collected at the time the loan is made.

This compounds the interest on the myriads of transactions running through the whole twenty-eight years. The gains from this source alone are enormous.

It is absolutely certain that the accumulations realized under this subdivision of "Incidental Profit," will more than double the entire current expenses of carrying on the system, including all taxes paid and losses sustained. Nothing can be clearer than that the $2,859,875,000 above stated falls short of a true estimate of the net profits of the system during the period it has been in operation.

But the question as to whether these Associations have or have not amassed fortunes by the exercise of their prerogatives is insignificant when compared with other considerations which belong to the controversy.

Another glaring vice inherent in the system is the fact that the power of the Government to issue National bank notes cannot be exercised until it is evoked by private speculators and associated usurers. The Government is merely their instrument and obedient servant, having no will of its own. The power lies dormant until such time as these highly favored members of the community may find pleasure in arousing it to activity. They determine when the power shall be exercised and when it shall cease. It is as though it were a piece of machinery. The speculator throws his belt over the wheel and it runs. When it is removed it ceases to revolve. And again when they have accomplished their speculation the same parties who call for the money may destroy it and thus place it beyond the reach of others who desire its use.

MASTERS OF THE SITUATION.

The demand among the people, followed by the struggle in Congress, for the remonetization of silver was based upon the universal conviction that the country was suffering for want of money. Congress responded by author-

izing the coinage into standard silver dollars of not less than two nor more than four million dollars' worth of bullion per month. It was expected that this gradual addition to our circulating medium would stimulate trade and impart a healthy impulse to business. Confidence was entertained that those intrusted with the execution of the law would act in good faith and readily comply with the law. But as soon as the law was enacted the New York Clearing House Association, composed of the associated banks of that city, refused to receive standard silver coins on deposit as current funds. They would receive them only to be paid back in kind. The Secretary was a party to this conspiracy and the Treasury of the United States became a member of the New York Clearing House Association, and joined in nullifying the law.

The Secretary reluctantly obeyed the law and coined the minimum instead of the maximum amount. Meantime for every three millions of silver dollars coined, the banks retired above two millions of their circulating notes. Outrageous jugglery of this kind has been in constant operation year after year and is still in full force. This joint action on the part of the banks and Treasury officials, together with the policy of locking up vast sums in the vaults at Washington, have sufficed to diminish our currency in the face of an expanding business and increasing population.

When this system was established it was heralded as one which would give to the expanding energies of our vigorous civilization an ample and increasing volume of currency. Its actual operation has been just the reverse. The experiment has been expensive and embarrassing to all who are not connected with the system. But it is gratifying to know that its power is waning and that a new formulation, based upon more humane principals, and born of clearer conceptions of popular rights, is ready to take its place.

CHAPTER XVI.

THE TRANSPORTATION PROBLEM.

The transportation issue is one of the important contentions of our age. It is a business question of the highest importance, but its relation to Government is vital and over shadowing. We can of course only treat the subject suggestively in this brief chapter, but we hope to stimulate and guide the reader to further investigations.

The activities of modern life and the necessity for daily communication between widely separated communities render the consideration of this subject of supreme importance to the American people at this juncture in our history.

The controlling victory in the great battle between the people and the corporate barons of the period was won when the Courts, both State and National, decided that our lines of railway transportation were public highways. This mountain pass having been captured, it only remains for the people to move over into the open country beyond.

No Government can safely surrender control over its highways, and if it has attempted to do so the concession is void, being in conflict with sound public policy and the safety of the people. In such instances the people are free to disregard the surrender and to resume control of their highways whenever they may desire to do so, and upon such terms as they in justice may deem proper and right.

In civilized life public highways are indispensable. There can be neither safety, convenience nor public order with-

out them. And inasmuch as the duty to construct and maintain these highways devolves upon all members of the community alike, it follows that it is incumbent upon that power which represents the whole people to discharge this duty. When applied to ordinary highways this has always been conceded. But highways for rapid transit between widely separated communities and between cities and states are essentially the same, and the duty to construct, operate and control them rests just where it does in the case of ordinary public roads. It has been substantially so held by the courts over and over again. It is not possible to draw any line of distinction between them. It is but just beginning to dawn upon us that our great highways have been wrenched from our control—that they have been farmed out to private adventurers and speculators who use them to extort unconscionable tolls from the people as they pass to and fro.

The just power of the Nation is made up of the authority transferred to it by the people. It can rightfully possess none other. This power can not be surrendered or properly delegated to any private person whomsoever. It is incapable of annihilation, and should the Government be dissolved it would return to those from whom it was derived.

The power which the people originally possessed to regulate commerce among the States for themselves was by the adoption of the Constitution, solemnly transferred to Congress and at once became a matter of National and universal concern. The Congress can not escape the responsibility if it would. It is a great problem underlying the prosperity and happiness of the people. How can it be solved? In the opinion of the writer, private greed and the public welfare can not be reconciled. As long as men are permitted to invest their private fortunes in public highways they will spurn public control. Instead of study-

ing how to obey the law, they will tax their ingenuity to find ways to violate both its letter and its spirit. The controlling thought of an investor in railways is dividends. The public welfare calls for the highest efficiency at the minimum cost. The conflict between these two principles or interests is malignant and erreconcilable, and it is rank folly to longer attempt to disguise the real situation. Let us glance at a few facts which exhibit the serious character of this struggle between individual greed and the public welfare. It is well known that in the autumn of 1890, a half dozen railroad magnates, headed by Gould, formed a conspiracy to wreck certain railways with the view of securing ultimate control over them. To do so it became necessary to corner the available money in the principle banks of New York.

This threw "the street" into a panic and soon the perturbation extended throughout the metropolis and the country was within arm's-length of a general panic. Stocks of course declined and the object of the ring was accomplished. Nothing but the timely extension of aid by the Treasury department averted general disaster. What was this but a declaration of war on the part of these conspirators against the great body of the people? It was like the descent of a band of Italian brigands from the mountains for plunder. If a half-dozen piratical crafts had sailed into New York harbor on that beautiful autumn day, they could not have wrought much more havoc than was inflicted upon the business interests of the country by these half-dozen railroad speculators and Wall Street gamblers. And yet these are the men who are constantly prating about the security of property and the inviolability of vested rights! Transactions similar in character but of less magnitude are continually occurring. The business situation is liable to be convulsed by them at any moment.

Investments in railway securities, except in a few controlling lines, have come, on this account, to be the most hazardous of all business adventures. It is a matter of common occurence for whole lines to be practically confiscated and swallowed up by private manipulators, and those who have invested their money are financially stranded for life. In their delirium of greed the managers of our transportation systems disregard both private right and the public welfare. To-day they will combine and bankrupt their weak rivals, and by the expenditure of a trifling sum possess themselves of properties which cost the outlay of millions. To-morrow they will capitalize their booty for five times the cost, issue their bonds and proceed to levy tariffs upon the people to pay dividends upon the fraud. Take for example the Kansas Midland. It cost $10,200 per mile, It is capitalized at $53,024 per mile. How are the plain plodding people to defend themselves against such flagrant injustice?

Mr. Sidney Dillon, President of the Union Pacific, in the *North American Review*, for April, 1891, says that "a citizen, simply as a citizen, commits an impertinence when he questions the right of a corporation to capitalize its properties at any sum whatever."

This gentleman is many times a millionaire, and the road over which he presides was built wholly by public funds and by appropriations of the public domain. The road never cost Mr. Dillon nor his associates a single penny. It is now capitalized at $106,000 per mile! This Company owes the Government $50,000,000, with accruing interest which is destined to accumulate for many years. The public lien exceeds the entire cost of the road, and yet this Government, which Mr. Dillon defies, meekly holds a second mortgage to secure its claim. Bills have been pending in Congress for six or eight years to

reduce the interest on the Government lien to a nominal sum and to extend and renew the loan for three-quarters of a century. It is publicly reported that Gould and Dillon now propose to put a mortgage lien of $250,000,000 upon this property and to place the people under tribute to pay it. It is pretty clear that it would not be safe for the public to take the advice of either Mr. Dillon or Mr. Gould as to the best method of dealing with the transportation problem. It is safer to follow the ancient example of one of the Governors of Judea, who, in dealing with another class of extortionists, concluded to "consult with himself."

In 1885, the Superintendent of the St. Louis & Iron Mountain road, filed a sworn statement before the Arkansas State Board of Assessments, that the road could be duplicated for $11,000 per mile. It is capitalized at four times that sum.

The proper method of ascertaining the actual cost of a given road is to first ascertain the amount of its actual paid up capital stock, bonds and floating debt at the time of completion and equipment. Then add these three items together, and, if they are truthfully rendered, you have the true cost of construction and equipment. Upon the aggregate of these three items, honestly stated, the people are willing to pay a reasonable profit. They should not be expected to do more. The fact that vastly more than this has been almost universally exacted for more than a score of years, by the great majority of roads, is one of the underlying causes of the industrial and political upheaval now in progress. Let us apply this test to a few representative roads. We will take two in the West and one system in the East, to-wit: The Illinois Central, the Chicago and Northwestern, and the New York Central and Hudson River railroad.

THE ILLINOIS CENTRAL.

The management of this road has been an extraordinary success. A number of "distributions of stock," *pro rata,* have been made among stockholders. The land grant of this company amounted to 2,595,000 acres. On the first of January, 1873, the land sales and advance interest had yielded the company $24,824,333.33, or an average of $35,211 per mile on their entire road of 705 miles operated at that time. In 1858 dividends were paid to the stockholders in script, which was soon thereafter converted into stock, to the amount of $1,772,270. Again in 1865 there was another distribution of stock to the amount of $2,119,931. In the summer of 1868 there was still another amounting to $1,881,100. These "distributions of stock" were "water" and amounted in the aggregate to $5,773,301, which, when added to the sales of land to that date, amounted to $30,597,634,33, or, in other words, to $43,400.89 per mile.

The total cost of construction of the entire line of seven hundred and five miles as reported by the Company, January 1, 1873, amounted to $34,061,196.56, or an average of $48,331.75 per mile. This leaves but $4,930.86 as the actual sum which the stockholders of this road had expended per mile over and above receipts! It must be remembered that this estimate does not include the value of the unsold lands which the company had on hand January 1, 1873, which amount to 344,368 acres estimated at that time to be worth $5,165,520. This will make the aggregate of watered stock and land subsidy exceed the whole cost of construction, as reported by the Company itself, by the sum of $1,801,957,77. It is thus seen, by the admission of the accounting officers of the Company, that the United States Government and the State of Illinois gave to the stockholders of the Illinois Central railroad

the magnificent line of road seven hundred and five miles in length, and a bonus of nearly two millions of dollars! This was the status which this road occupied before the public eighteen years ago, when it was comparatively in its infancy. Every year from that time until the present, the people of Illinois and the whole northwest have been paying extortionate rates for transportation over this line to enable the Company to pay dividends upon this unconscionable investment.

THE CHICAGO AND NORTHWESTERN.

The Chicago and Northwestern Railroad Company was the recipient of immense land grants from the General Government. No limitations or restrictions were imposed by Congress upon the disposition of these lands. The grants to this road were as follows:

To the Iowa Division	1,422,109 acres.
To the Winona and St. Peters Company	1,400,000 "
To the Peninsula Railroad	346,880 "
Total	3,168,989 "

These lands were all diverted from the ownership and control of the Company. The Companies named in the act of Congress granting the lands leased their roads to the Northwestern in perpetuity, making no mention of the land grants and at an annual rental in excess of reasonable interest upon the money actually invested. The whole transaction smacks strongly of private manipulation, collusion and peculation on the part of all parties concerned in the transaction.

There have been a number of stock waterings connected with this road also. At the time of the consolidation with the Galena and Chicago road the stockholders of the latter road were allowed $6,030,500 in shares to "equalize" values. In 1868, a script dividend amounting to $1,810,110 was

divided among the stockholders, making a grand product of "water" up to that date of $8,840,810. On July 1, 1873, according to the Company's report to the Illinois Commissioners, the total stock and bonds of the Company amounted to $61,597,573.82. In 1872, the Company issued a consolidated mortgage upon its whole line and properties to secure bonds to the amount of $48,000,000. $35,349,000 were used to take up bonds then outstanding against the Company, but no one can tell what became of the remaining $12,651,000. This one transaction increased the liabilities of the Chicago and Northwestern Railroad Company to the enormous sum of $84,477,073.82 and yet no mention was made of this stupendous transaction in the report to the Railroad and Warehouse Commissioners. The action of the Company since the year 1872, has been in line with the transactions here recorded. Within a few years past this whole indebtedness was funded into new bonds which lap far over upon the twentieth Century.

We have spoken of the action of the Company in 1873, and near that time, in order to give the reader a clear conception of the enormous tax that has been imposed upon the industries and people of this country by this one Company during the past twenty years, and to give him an idea of what may be looked for during the years to come if the relation which now exists between the Government and those who operate its public highways is not speedily changed.

NEW YORK CENTRAL AND HUDSON RIVER RAILROAD

In the report of the Committee on Railroad Transportation made by experts selected by the American Cheap Transportation Association, the following facts were brought out concerning the management of the New York Central and Hudson River Railroad. In 1853 ten separate

corporations owning the route between the Hudson River and the lakes were consolidated. The committee makes the following statement:

"The combined amount of share capital and convertible bonds of these separate organizations was then $23,235,000, but a considerable portion of the share capital had not been paid in. The equalizing process of the consolidation was that the Schenectady and Troy Company—that being the least productive of all—should come in at par, while the holders of stock or convertible bonds of other roads received a premium in Consolidated 6 per cent debt certificates ranging from 17 to 55 per cent, making an issue of these certificates, amounting to $8,894,500, or over 30 per cent on the true share capital of the company. From this time down to 1867 there had been no material change in the total stock and debt of the New York Central Company other than what could be nearly accounted for by actual value received, and its capital account was then represented by $28,537,000 of stock and $12,069,820 of bonds, a total (including the 'water,' of 1853) of $40,606,820. The Hudson River Railroad Company, at the same time, had a share capital of $7,000,000 and a bonded debt of $7,227,000; total, $14,227,000; making these two companies which in 1860 were consolidated, stand in 1867, as follows: Stock, $35,537,000, and bonds, $19,296,820, or a total capital account of $54,833,820.

"During 1867 the Hudson River Company presented its stockholders with $3,500,000 stock, or a dividend of fifty per cent; and again, at the time of consolidation, another one of eighty-five per cent on the then outstanding stock of $16,000,000, making an issue of $13,625,000. The New York Central Company had, in 1868, presented its stockholders with $23,036,000 or eighty per cent, followed by one of twenty-seven per cent, $7,775,000, at the time of consolidation. Thus in the space of two years the New York Central & Hudson River Railroad Company added to its capital the sum of $47,836,000 created out of nothing but the will of its directors and the mixture of paper and printers' ink."

The Committee also state that—

"The entire railroad system of the United States is tainted with the same practice, and it is estimated that about one-half of the stock of the entire body of railways in this country has been thus manufactured. * * * The Palace and Sleeping-Car and Express Companies are also excrescences upon the railroad system of the country; and from the fact that they now own from ten to twenty million dollars worth of cars, bought mostly from profits, they should be bought out by the railroad companies, so that the profits would go to swell their general revenues."

Similar wrongs, scarcely less glaring and outrageous, were also mentioned in the report but the limits of this chapter preclude their mention.

Other flagrant abuses, such as discriminating between cities, communities and individuals, transporting freight for one for less than is right and visiting over-charges upon less favored localities, thus compelling the latter to make up for losses incurred, through favoritism to the former, are also of daily occurrence. Indeed, it would require a score of volumes to contain even an outline of the abuses which have been inflicted upon the people of the United States during the past quarter of a century by those who control our inter-state highways. As we have shown in other portions of this work, the Dressed Beef Trust, the Anthracite Pool, the Soft Coal Combine, and almost every other variety and style of combination now despoiling the people, derive their vitality from unlawful association with transportation monopolies.

THERE IS BUT ONE REMEDY.

The Government must resume control of these highways and operate them in the interest of the people at large. This it can do by building lines of its own or by taking those now in operation, paying a reasonable compensation

therefor. It is idle to talk of any other remedy. We have experimented through the lifetime of a whole generation and have demonstrated that avarice is an untrustworthy public servant, and that greed cannot be regulated or made to work in harmony with the public welfare. Like the carnal mind, it is enmity against the Laws of God and man and is not subject to the will of either, neither indeed can be.

After carefully considering the objections to this policy we are convinced that they are wholly untenable and unsound. Those most seriously urged relate to the expense involved in the purchase of the various plants and to the dangerous political consequences apprehended from the exercise of power so vast.

In answer to the first objection, it is sufficient to state that the burdens of the whole railway system as at present operated—value, debt, "water" and abuses now rest upon the people. The whole structure would be worthless but for their daily contributions. The burden could not be greater if every line in America belonged to the Government to-day, and we were in debt for every cent of their value, fictitious and real, even if the tariffs and abuses were to remain just as they are at present.

But every considerate mind knows that most, if not all, of the abuses which now vex and impoverish industry and the public in general, would disappear if the vice of avarice were excluded from the control of this great limb of our commerce.

In every instance where the Federal Courts have taken charge of these lines of traffic and placed them under the supervision of Receivers who are responsible for their conduct, the public service has been greatly improved. In this manner the whole question has been lifted in our own country from the domain of experiment and demonstrated

in scores of instances to be the most practicable thing in the world.

But the second objection is even weaker than the first. The railroads are now in politics and corruptly so. Government ownership will eliminate their corrupting influence and take away the motive for its exercise. The selection of employes, from the highest to the lowest, can, and should be placed under the supervision of a strictly non-partisan board, which will render political appointments impossible and free the service from all party considerations whatsoever. In this manner the whole industry can be exalted to a plane of fraternity and efficiency. We shall not attempt to discuss or to set forth in this book the great variety of details which will have to be considered when the practical legislator shall come to frame the law.

Various countries in the old world have tried the experiment of Government ownership and have found its operations in every respect satisfactory.

Austro-Hungary has afforded the world a notable example of the benefits resulting from the plan proposed. They have but recently adopted the system of zone tariffs, and we have examined the account of its operation given in the report of the Interstate Commerce Commission of the United States for 1890. The general object of the Government in introducing the system was the encouragement of long distance travel between the Capital and the provinces, and a modification to the greatest practical extent of the element of distance in passenger traffic, in favor of all ranks and classes of the population; the theory being, that the increased volume of travel would fully compensate for the lower individual charge; the effect in unifying the interest of all sections and promoting the welfare of the Capital city, being also an important incentive to the change. Each railway is divided into sections called

zones, radiating from a common center—Buda Pesth. The first zone is shortest, extending a distance of 15.5 miles; the second and each succeeding zone up to the twelfth is 9.6 miles longer than the zone immediately preceding it, all distances exceeding one hundred and forty miles from the starting point are included in a single zone. Passenger rates are fixed, not per mile or per kilometer, but at so much per zone; the charge for every fraction of a zone being the same as for a full zone. As each zone constantly increases in length over that immediately preceding it, the system is evidently a constantly diminishing rate per mile in proportion to distance traveled. The report gives extended tables of rates much like rate sheets which are now by law compelled to be posted in our stations. We have space but for a few instances from these tables which will afford striking illustrations of the superiority of the Hungarian system over our monopolistic one.

Six classes of rates are given in the table of which we give but two, the highest and lowest: From station (A) to points within the zone, 16 to 25 miles, highest rate .40 lowest .20; to points within the fifth zone 53 to 62 miles, highest rate $1.44, lowest .60; zone tenth, 100 to 108 miles, highest $2.64, lowest $1.10; zone thirteenth, 140 miles and beyond, highest, $3.48, lowest $1.60: But the most marked features of this system are shown in distances above 140 miles. From Buda Pesth to Kolozsvar, 247 miles, highest, $3.84, lowest $1.60; from Buda Pesth to Brasso, 452 miles highest $3.84 lowest, $1.60.

These rates are marked reduction from the former ones and have resulted (as the lowering of rates in Iowa) in largely increased receipts. The number of passengers carried in 1888 was 5,587,700, in 1889 (during which year the zone tariff was adopted) 9,097,700, an increase of 3,509,500. The total receipts from passengers and baggage in

1888 were $3,674,280, in 1889, $4,126,840, increase $432,560. In Austria the system is much the same as that of Hungary but has only been in operation since June 16, 1890, but already as appears from a communication from the Austrian minister of Commerce, "the results of the new system are satisfactory both as concerns the increase in the number of passengers and receipts. On some lines the increase in the number of passengers was as much as 176 per cent. The increase in the receipts of passengers and baggage was calculated for July at 24,000 florins, and for August at 45,000 florins.

Prof. Ely, the well known professor of Johns Hopkins University, spent the summer in Germany, and at a recent meeting of the Johns Hopkins Historical Society, read a paper on the "Railways and Social Democracy in Germany," in which he pays the following tribute to government railways as operated in that empire:

"I was very much impressed during my stay in Germany this summer by the superior service of the state controlled railways of that country as compared with the careless management of our own lines. There was scarcely an accident in Prussia during the whole summer, while in this country nearly five times as many passengers are injured or killed outright. The American railways have not enough employes to secure safety and attention. England has four times as many men and Germany even more.

"We are fully thirty years behind Germany in safety for passengers. There are no unguarded crossings allowed to menace the public. Even at the stations there is no crossing the tracks to reach out going trains, as is the case in our own union stations. To get on the other side in Germany you must descend a flight of steps and pass through a tunnel under the track. The stations themselves are models of beautiful architecture. The new one in Frankfort cost $4,000,000. When the government intends to erect a new station it offers a prize to architects for ornamental designs. There is a maximum of comfort received

in railway travel, as the stations are all union stations, which is possible since the government controls all the lines.

"Since my visit ten years ago, many improvements in speed have been made, fifty miles an hour being the scheduled time for many trains. The express from Berlin to Hamburg made fifty miles an hour, all stops included. Government ownership also opens the way for the use of the railway for a social purpose. The general opinion is that the population is too much centralized in the large cities, and by the cheap zone or belt railroad system, soon to be opened in Berlin, workmen may live in the suburbs and work in the city without much expense.

"The Government management of the railway finances has also been a brilliant success, surpassing all expectations. In Prussia alone, last year, after paying the interest and part of the principal on the bonded debt, there was a surplus of $25,000,000. The reduction in fares and freights annually amounted to an annual distribution of over $25,000,000. I must also say a word for the high quality of the freight service, which is fully equal to the express traffic in many parts of our country. A trunk can be sent all over Germany with perfect safety and convenience for a mere trifle, while a few cents extra will insure it and a few cents more guarantee its delivery at a certain hour."

We urge upon the American people the immediate consideration of this great subject. Already some of the brightest minds connected with the railway service are beginning to look to the Government as the only refuge from the difficulties inherent in the present system of private control. Prominent among these are Mr. Stickney, the General Manager of the Chicago, St. Paul & Kansas City Railway, President Blockstone, and many others.

CHAPTER XVII.

THE SUB-TREASURY.

The economic consequences of our civil war, have been far-reaching and mighty. Indeed, with the lapse of time and the renaissance of monetary investigation we are all beginning to understand something of the tremendous and ever unfolding issues which were hidden from the contending forces in that gigantic struggle.

Considered from a financial point of view the effect of the war was two-fold—centrifugal and centripetal. The first threw the circulatiug medium to the extremities of the country, thereby imparting life, health and activity to industry, while the latter caused it ever to return at the very moment it was needed to meet the extraordinary demands of the Treasury. But since the baleful policy of contraction, in 1866, the centrifugal or radial action has been distressingly feeble, while the centripetal energy has been operating under a full head of steam. To stop this deadly and eccentric action and to restore a healthy equilibrium to these forces, the Sub-Treasury Plan has been devised. In our judgment, it is the most valuable formulation which economic science has ever evolved. We will devote a few pages to a suggestive examination of this now noted theme.

Strictly and philosophically speaking, the Sub-Treasury system does not relate to the question of how much money is required for the constant use of the people. It simply

calls for the adoption of a flexible system which will expand the currency when more is needed and shrink it when the demand has passed away. The foundation for this system will doubtless be laid by putting out, to start with, a sufficient volume to meet the every day demands of trade, but this alone would not prevent a stringency at certain seasons of the year. Starting with sufficient, however, the system proposed will be ample to prevent a scarcity of currency at critical junctures on the one hand, and on the other to forbid undue inflation when the normal and healthful demand for money has passed by. The student of economic science should always keep the two questions entirely separated in his mind.

The following, which we take from a letter addressed to Hon. Wm. McKinley, Chairman of the Ways and Means Committee of the House in the 51st Congress, by Mr. C. W. Macune, Chairman of the Legislative Committee of the Farmers Alliance and Industrial Union, clearly and succinctly sets forth the abuse which the Sub-Treasury system is designed to destroy. After making the very liberal statement that there was not, at that time, to exceed one billion dollars in actual circulation among the people, Mr. Macune said:

"This sum must do all the business of the country. The manufacturer, the merchant, the miner, the banker, professional men, artisans, and laborers, all alike complete a productive effort in their various vocations every day. That is to say, each of these has an even and practically uniform use for money throughout the year. With this uniform volume and uniform demand, stability of prices might reasonably be expected if agriculture did not belong to the family, but it does and will as long as people eat bread and wear clothes, which, however, will not be very long unless present tendencies are stopped. Agriculture steps in during the last four months in the year with about five billion dollars' worth (at present prices) of products,

which she offers for (and must have) money. What a demand upon the one billion dollars in circulation! In addition to doing the business of the country, as it has been doing for eight months, it must now take care of a business equal to five times its volume. It will be surely admitted as fair to presume that the demand for money is doubled during that period, when it is known that the gross value of the gross output of all kinds of manufacturing for the entire year of 1880 was $5,369,479,191. When you consider the relations between the volume of money and the demand for its use you must admit that the same effect will be produced by an increase in demand, or by a decrease in volume. That is to say, a fixed volume of money with an increased demand is a contraction of volume just as certain as a fixed demand with a diminished volume is a contraction. Therefore the augmented demand for money created by the marketing of agricultural products under existing laws is attended with a violent contraction of the relative volume of the circulating medium of the country, which compels irresistibly, a reduction in prices at the very time when the farmer must part with his product. Mr. Flower, of New York, has already submitted good evidence in proof of this, by showing that for forty years the actual average fluctuation annually in price of these products has been fifty per cent, and it is an admirable illustration and confirmation of the principles here laid down, that general prices invariably fall with this relative contraction of the volume of money every autumn. This enables those who have money to buy the products of the farm during that season for less money than it cost the farmer to produce them at the prices which prevailed in the spring, when he made the investment in the productive effort. It should not be forgotten in this connection that at all times the Government is taking in as 'Government receipts from taxes and revenues' about fifty millions per month. True, it pays out about the same, but that money is not buying wheat while it is going to and from Uncle Sam's pocket.

"No man can deny that it is a systematic robbery of the farmer to have a financial system established by law that will contract so as depress prices at the season he is compelled to sell the products of his labor. Of course the demand

for money is diminished as the crop is consumed, and by the time it is necessary for the farmer to make his spring and summer investments to secure a crop, the volume of money, having less to do, is relatively larger, and, as must follow, prices are higher. This is the truth in a nutshell; he buys his commodities under an environment that makes wheat worth a dollar a bushel, and is compelled to sell his produce under an environment that makes wheat worth fifty cents a bushel. Is it any wonder that the most enterprising merchants have generally failed, or that the best farmers in the country have become involved in debt? Do not say that if this were true it would have been discovered long ago, and would not have been unearthed by a modern hay-seed convention, because it would not. It is the result of the material progress that has developed the railway and telegraph, by means of which the product of agriculture can be placed on the markets of the world the very day it is harvested, and before it leaves the farm. This has shortened the season for harvesting and marketing so much that the effect of a stable volume of money is equal to a violent contraction. There has been a rock in one end of the meal bag long enough, and it is time modern conditions were recognized and utilized.

"No mere increase in the volume of money by the free coinage of silver, or the issue of treasury notes, or the loaning of money on real estate, is now sufficient, because the farmer is not in shape to get his share of the benefits that would undoubtedly flow from such measure. He is behind the procession. The laws, as above shown, discriminate against him. He wants the discrimination stopped. He wants an equal chance to share the benefits. Then increase the stable volume and enact other wise laws, and he, being able to get his share of the benefits, will give the due credit. This principle of flexibility of volume to meet the flexibility of demand is so plain and simple, so manifestly just and right, that students of political ecomony of the future will rank those who now drum up matters of detail as an excuse for not receiving it, with those who ridiculed Columbus when he demonstrated that the world was round."

This is an admirable specimen of clear, philosophic and unimpassioned reasoning. When we consider that it is the acknowledged duty of the Government to furnish the circulating medium and to designate the channel through which it shall pass out to the people, it would seem morally impossible for our law makers to refuse to remedy abuses which experience has shown to be inherent in the existing system. If they were conscious of their responsibility to the people and really desired the public welfare they would make haste to do so. They are quick to appropriate money to remove trivial obstructions in our navigable streams and harbors, but when it comes to removing obstacles which annually throw the whole commerce of the country into confusion, they shrink back aghast and palliate their criminal neglect of duty by denouncing all who clamor for reform.

The money thrown into the channels of trade by this process will not operate to inflate, but simply to supply a normal and legitimate demand which does not exist at other seasons of the year. When the extraordinary demand ceases, the extra circulation must of necessity be returned to the Treasury, there to remain in the hands of a public servant until called out by a like contingency. It can neither be cornered nor used to oppress anybody. There it will remain the pride of the people and their absolute guaranty that they shall have the protection of Government in their righteous endeavor to husband the fruits of their toil. This will dignify every department of labor and make it attractive and remunerative. More still, it will put a premium on industry and honor the law of God which requires that every man shall eat his bread in the sweat of his own face.

The plan is free from the objection that it is class legislation, as the money cannot be borrowed for purposes of

speculation, but simply for temporary and current use. Being expended instead of hoarded for speculative and usurious purposes it will pass at once into the channels of trade giving employment to labor and furnishing a market for its products. The laboring man who does not borrow from the sub-treasury will reap his full share of the benefits through the increased demands for his labor and still will be exempt from its burdens. The man who borrows must return the money with the slight expense attached, while the laborer will be secure in his increased wages and find constant employment unvexed by Treasury liens, interest or debt.

THE CONSTITUTIONALITY

of the system cannot be questioned. It is but a humane modification of the National Banking system now in operation. Indeed, when the measure finally comes to be drafted in all of its details, the outlines of the present National Banking law, with the abuses left out, will be taken as the model for the new measure. If the Government has the constitutional authority to allow the owners of United States bonds to deposit them with the Treasury and receive in return ninety per cent of their face value, in National currency, at a tax of only one per cent per annum, it unquestionably has the authority to let those who are engaged in industrial pursuits have it at the same rate and upon just such security as may be deemed ample and safe.

The constitutionality of Government legal tender issues is forever settled. That marvelous Statesman and law-giver of our time, General Benjamin F. Butler, has closed that controversy forever, and the highest court known to our civilization has placed the seal of approval upon his judgment. There is nothing left to cavil about. Now let the Government exercise its high prerogative.

WHAT OF THE PROFFERED SECURITY?

If the bond is good, the security offered by the sub-treasury advocates is good also. The value of the bond depends upon the wealth-producing and productive energy of the people. And so of every other thing which we call valuable in the world.

Every form of speculative enterprise which has its lines thrown into the future, derives its vitality and hope for return upon the annual harvests of the world. This is all the security there is for anything. The value of the earth itself as a home for the children of men depends upon the returns which follow the recurrence of seed-time and harvest.

WILL THE MONEY BE GOOD?

The industrial organizations of the country have never called for an unlimited issue of money, nor can they be frightened by the sinister cry of inflation. All they ask is for a well-guarded system which shall furnish an ample and stable body of currency, with proper safe-guards as to the amount to be issued and sensible restrictions concerning the quantity to be obtained by any one person. The method of placing our money in circulation cannot, in any manner, affect its value. The guaranty of the Government makes the National bank note worth its face, although it is passed out to the banks at a tax which merely covers the cost of production. If issued to a private individual it would be in every respect as valuable.

The necessary increase of the money volume required for present purposes and which should and doubtless will precede the inauguration of this system, can also be placed in circulation by private loans, at the same rates and upon the same security. It can also be placed in circulation in a variety of other ways. The economic problems now

pressing for solution are likely to afford ample facilities for the expenditure of public money. There need be no uneasiness from that quarter. The reader will understand that we have here only attempted to give a partial outline of this great controversy. To properly discuss the question a volume greater than this would have to be written. We trust, however, that sufficient has been suggested to induce a candid consideration of the subject.

CHAPTER XVIII.

REMEDIES CONSIDERED.

Three things must concur in all matters relating to human endeavor before success can reasonably be anticipated: First, a definite mental conception of the thing necessary to be done; second, a determination of the will that it shall be done; and third, the careful selection and timely application of instrumentalities necessary to accomplish the desired result. Indeed, in ordinary transactions, which relate to the daily wants and vicissitudes of the individual and the family, we are all conscious of this threefold process in our minds.

If it were possible for this triumvirate of concept, will and action to be withdrawn for a single day in any community, chaos would ensue as quickly as darkness would follow the blotting out of the sun. The same result would follow, if by the force of our will, or the lack of its exercise, the functions of any one member of this trinity should be suspended in their operation.

This explains the cause and discloses the source of the present chaotic condition of politics in our Republic. Most men make a stagger at business, not knowing exactly what they want even in this, and then transfer all matters pertaining to Government to the charlatans and the bosses. The rightful and proper rulers of the country are generally asleep, and the butler is dispensing the hospitalities of the mansion to the thieves and vagabonds in the pantry. The

proprietor hears them and the servant comes to the door and tells him not to be disturbed but to sleep on and he will call him at the proper time.

It has been the constant custom, for a full quarter of a century, for the people of this country to biennially elect a Congress, and quadrennially an entire administration, without any reference whatever to what is necessary to be done. When this result has been accomplished, the people all fall to wondering what Congress is going to do! Having no conception of what should be done ourselves and hence no determination that it shall be done, it is of course hard for us to understand that there is any intention in that august body to do anything whatever. In fact we seem to realize that they were not elected to do anything and are disturbed when we contemplate even the possibility that we may be disappointed.

Then, there is our President whom we have just elected. How does he stand upon the important questions of land, money, transportation and labor? We know nothing about it; and now that he is really elected we would like to become acquainted with his views. Only one thing, however, is certain: The president-elect was in favor of the last war!

Thus it is demonstrated that we did not know what we wanted nor what we were voting for when we cast our ballots. The candidates elected were supported, not because it was definitely known that they were in favor of anything in particular, but simply because we thought, at the time, that we could prevent the other crowd from getting the offices and could secure them for a few manipulators who happened to belong to our side. The fact that the spirit of inquiry, as to how their public servants stand, always manifests itself after the election instead of before, affords positive proof that the people were conscious that

they were taking a leap in the dark when they voted, and had serious doubts at the time, as to whether they were doing right or wrong. It is the annual repetition of this frightful popular abuse which fills even the aimless leaders of the aimless parties of the period with contempt for the great mass of voters. We should all understand that it is the resolute man of purpose who is always feared. The scoundrels in politics do not care a single groat for any other type of man.

Did anybody ever have any doubts about the policy of General Jackson's or Abraham Lincoln's administrations? They were chosen to do something. After their elevation to office public inquiry was directed simply to the details of the contemplated legislation. Everybody knew the character of the measures which were to be brought forward and the general spirit and purposes of the Administration. Hence, the

FIRST GREAT REMEDY

for which all should labor, is the election of a National ticket and Congress pledged to a platform formulated by the industrial organizations themselves, and which shall substantially and clearly set forth the reforms desired. No person who is both candid and intelligent will pretend that such a result can be secured except through the instrumentality of a united vote of all who desire the specified reforms, cast for the same ticket at the same time. This will give to the movement an open and controlling mission, and to the Administration, when elected, a definite purpose. Neither can these ends be accomplished through the instrumentality of parties which have no test of membership. If they are void of such test they have no purpose and can accomplish nothing of importance for the world. But if the voter has a vague conception

of what is needful and has no purpose or will to demand needed reforms, he is quite certain to make a mistake when he comes to handle political machinery. Such tools are dangerous in the hands of thoughtless men.

Again, having determined the controlling or basic principle which we wish to have enacted into law, we should rest content with its plain and candid enunciation until a Congress is secured whose duty it shall be to grapple with the details of the system.

The beautiful Declaration of our fathers, that "All men are created equal and endowed by their Creator with certain inalienable rights, among which are life, liberty, and the pursuit of happiness; and to secure these ends Governments are instituted among men, deriving their just powers from the consent of the governed," is the most wonderful political enunciation in any language; and yet it is absolutely free from every manner of detail. Had the wise heads of that period undertaken to specify the details of legislation necessary to make their Declaration effective when the mother country should be overthrown, it would have been impossible for them ever to have agreed. The Declaration probably would never have been issued, and it is certain that the Constitution would never have been framed. Hence, from this view of the situation, we rejoice to know that the tendency among reformers, during the half dozen years last past, is to drop details and content themselves with clear statements of the underlying principles to be attained. It is said concerning a dilemma not unlike that of which we are speaking, that the children of mammon were wiser in their day than the children of light. The plutocratic leaders are too long-headed to disclose the details of their plans. They keep them concealed. If they did not they could never accomplish anything. An experienced hunter never sends out his heralds to notify the

coveted stag that he wants his saddle for a Christmas festival. If he did the fleet-footed ranger would be off to other pastures. Is this deception? Most certainly not. It is simply the exercise in public affairs of that ordinary caution which we properly apply in every day life. Let your main declaration of purpose be plain, sincere and unequivocal and then leave to the legislator the consideration of details when it is made his duty to do so.

SPECIFIC REMEDIES.

For a more specific statement of the remedies necessary to start our dissipated civilization upon its return to health, we are forced for want of space to refer the reader to the several chapters of this book where he will find the remedial features of the controversy as fully discussed as the limits of this volume would permit. We will suggest in conclusion, however, that the great object of the Industrial movement now challenging public attention, is to restore to Congress its Constitutional and exclusive control over the great limbs of commerce, money, transportation and telegraphy; and to devise such an equitable system of land-holding as shall enable the people to secure homes without interfering with vested rights already acquired. These great facilities, so essential to life, prosperity and happiness have been wrenched from the people and passed to the control of monopolists. To reclaim them is the great duty of the hour. The Ocala platform points out the way in which it can be done. For a generation the great object lessons of current business life have impressed the world with the idea that the laborer was the subject of monopoly by birth, and that he had no rights which those institutions are bound to respect. This assumption of power is passing away. The doctrine of the "divine right of kings" is a fiction addressed to the superstition of mankind to justify

usurpation. The "prerogatives of the crown" consist of the raped liberties of the people. The doctrine of hereditary titles is of the same nature and was invented to circumvent popular disfavor. And so of all the pretentions of the Trusts and corporate barons of the period. But at last that liberty-giving conception, that the people have some divine and hereditary rights which governments are organized to secure, has dawned upon the world and we welcome its light.

We can not refrain from closing this chapter by quoting the following sterling and rugged letter from the late Benjamin F. Wade. It has so much of the fire of the 60's in it, and is so characteristic of the integrity of its author, that the readers of this volume will be glad to accord it the necessary room.

VICE-PRESIDENT'S CHAMBER,
WASHINGTON, D. C., December 13, 1867.

Yours of the 8th inst. is received, and I most cordially agree with every word and sentence of it. I am for the laboring portion of our people. The rich can take care of themselves. While I must scrupulously live up to all the contracts of the Government, and fight repudiation to the death, I will fight the bond holder as resolutely when he undertakes to get more than the pound of flesh. We never agreed to pay the 5-20's in gold; no man can find it in the bond, and I never will consent to have one payment for the bond holders and another for the people. It would sink any party, and it ought to. To talk of specie payments or a return to specie under present circumstances, is to talk like a fool. It would destroy the country as effectualty as a fire, and any contraction of the currency at this time is about as bad. But I have not time to give my ideas in full.

Yours truly,

BENJAMIN F. WADE.

CAPTAIN A. DENNY, Eaton, Ohio.

CHAPTER XIX.

THE GREAT UPRISING.

The financial storm which opened upon this country in the autumn of 1873, quickly expanded into a tempest which swept with fury every section of the Union. It was accompanied by strange phenomena which temporarily baffled the wisest heads in the land. Unlike former catastrophes of the kind the confidence of the people in their currency remained unshaken from first to last. If a man could command either form of our currency he felt secure from disaster. The paper money was the mountain summit which bid defiance to the floods, while the productive industries were the low-lands submerged and swept by the raging torrent. In all former panics the currency was first to give way—the first reed that was broken.

The prolonged stay of this calamity led to wide-spread investigation as to its causes, which happily resulted in a general revival of economic learning. Men began to inquire anew into systems and to dig down to the very bed-rock of democratic institutions. Fortunately, they had the lamp of their own personal experience to guide them, and a whole generation of living men and women as their witnesses. Upon examination they ascertained exactly where the black plague had started and who were responsible for its inoculation.

A protracted period of educational effort followed and for years it ebbed and flowed like the tides. It was an ex-

pensive school but it graduated strong men and sent them forth by the hundred equipped for the controversy destined to follow.

Truth is a marvelous weapon; it transforms itself into a thousand shapes, but it is always the truth.

Sometimes it is keen and lithe like a Damascus blade and again heavy, blunt and jagged like a savage battle-ax of the medieval age. This wonderful agency has done its work during the nineteen years just passed. The farmers through their Grange movement led the way. Then followed the Peter Cooper movement led by the purest philanthropist of the times, and represented upon the hustings by one of the most brilliant, powerful and persuasive orators which this country has ever produced, Gen. Samuel F. Cary, of Ohio. Succeeding this came the Union Labor party, and now the united movement of all the industrial forces of the continent. Through all this period those who have administered public affairs—presidents and cabinets, law-makers and parties—have unwittingly wrought in unison with the patient efforts of self-sacrificing philanthropists to unerringly demonstrate, in a variety of ways, that all of the accusations which had been made against them and against existing leadership, were absolutely true and that no good thing could be expected of them.

We have also had the contrasts of bountiful harvests accompanied by ever-existing destitution; of penury following close upon the track of industry; of vast armies of homeless tramps ever wandering alongside of vacant land held for speculation; of employers building palaces in foreign lands out of profits filched from toil, and labor forced into the maelstrom of strikes, riots and lock-outs; of armed mercenaries usurping the place of regular police; of corporations crowding the individual to the wall and tramp-

ling the poor into the dust; of one-half of every city set apart for the abode of Lazzaroni and the other for the sumptuous palaces of the rich and powerful. Such things —such aggravating contrasts have aided to convince the judgment and ripen the convictions of millions of honest men and women dwelling in every section of the Union. Of one accord they have risen up, pledged fidelity to one another and sworn that these things shall cease. Nor is this the result of the hasty ebullition of passion. It is the outcome of sober conviction based upon thorough investigation and verified by personal experience. It is sanctified by the convictions of justice and the promptings of charity. It has passed the point of experimental endeavor and reached the plane of lofty resolve where the Golden Rule becomes the law of the conscience and where personal sacrifice is welcomed as a boon.

Such is the character—such the interpretation of this mighty movement. It bodes no ill to our country or to mankind. Its mission is one of justice and peace. It is the religion of the Master in motion among men and is prompted by charity for all and malice toward none. It is the eagle tempered with the dove—the paw of the Lion of the tribe of Judah interposed to raise our prostrate industries from the dust. It proposes to hail and salute the advent of the twentieth century with the glad songs of emancipated labor and to present the world with an illuminated copy of our glorious Declaration of Independence enacted into law and reduced to practice in the daily life of the Republic.

CHAPTER XX.

DANGER AND DUTY.

The American people have entered upon the mightiest civic struggle known to their history. Many of the giant wrongs which they are seeking to overthrow are as old as the race of man and are rock-rooted in the ignorant prejudices and controlling customs of every nation in christendom. We must expect to be confronted by a vast and splendidly equipped army of extortionists, usurers and oppressors marshalled from every nation under heaven. Every instrumentality known to man,—the state with its civic authority, learning with its lighted torch, armies with their commissions to take life, instruments of commerce essential to commercial intercourse, and the very soil upon which we live, move and have our being—all these things and more, are being perverted and used to enslave and impoverish the people. The Golden Rule is rejected by the heads of all the great departments of trade, and the law of Cain, which repudiates the obligations that we are mutually under to one another, is fostered and made the rule of action throughout the world. Corporate feudality has taken the place of chattle slavery and vaunts its power in every state.

The light of past civilization is shining full upon us all, and knowing that cause and effect follow closely upon each other, we believe that we fairly discern the outlines of the main events which the near future has in store for

the American people. We do not claim to see clearly all the concomitant phenomena destined to follow the social earthquake just at hand. Such prevision is not accorded to man. But of this much we are certain: In their flight from their task masters the people have about reached the Red Sea. We can not retreat. Either the floods will be parted for us and close, as of old, upon our pursurers, or a life and death struggle will ensue between oppressors and oppressed—between those who would destroy and enslave and those who are seeking to enter into the inheritance prepared for them by a beneficent Father. Our danger lurks in the alternative stated. It behooves every man who desires a peaceful solution of our ever increasing complications to do all in his power to make the deliverance peaceful and humane. To further postpone the controversy is to invite chaos and challenge the arbitrament of the sword. Our past experience should be sufficient to warn us to steer clear of this abyss of peril and the hell of war.

All the Nations of antiquity were scourged exactly as our people are now being scourged. They were afflicted, they conplained, rebelled and perished — oppressors and oppressed together. Their innate sense of justice enabled them to discern clearly between right and wrong, but their passion for revenge and thirst for blood made it impossible for the people to retain power even when the fortunes of war had placed it in their hands.

But thanks to the all-conquering strength of Christian enlightenment we are at the dawn of the golden age of popular power. We have unshaken faith in the integrity and final triumph of the people. But their march to power will not be unobstructed. The universal uprising of the industrial forces will result in unifying the monopolistic and plutocratic elements also, and through the business and social influences of these potential and awakened

forces, thousands of well-meaning professional and business men of all classes will be induced, for a time, to make common cause against us. This makes it necessary for the friends of reform to put forth herculean efforts to disabuse the minds of well-meaning people concerning the underlying objects of the movement, and this calls for systematic, energetic, and constant educational work, covering the whole range of the reforms proposed. It is also the surest method of overcoming the obstacle of indifference among the people.

We must also be prepared to see the two well-organized and equipped political parties march to the assistance of each other at critical points along the line. The leaders will spare no effort to accomplish this end. Two influences, now at work, are ample to at least partially precipitate this result—the use of money and the community of danger inspired by the appearance of the new political force. The great mass of voters should be faithfully warned of this danger before designing leaders have made the attempt to mislead them. In this manner the evil consequences of their efforts can be largely averted.

THE GREAT DANGER.

If the economic revolution now in progress in the United States is not speedily successful, the industrial people will have no one to blame but themselves. Through suffering and research they have learned the causes of their distress. They have organized, decided upon remedies and made known their demands. They have the numbers to make their wishes effective. The Constitution and laws of the country place the whole matter within their hands. The great initial battles have been fought in the Courts and this constitutes their Gibraltar and impregnable vantage

ground. Nothing is now needed but a proper use of the ballot.

If the friends of reform will make one united and fearless effort the victory will be won. Fidelity to truth, to home, to family and to the brotherhood of purpose is all that is required. Capital possesses one thing which labor does not —ready cash. They will not hesitate to make the best possible use of it. But labor possesses that which capital does not—numbers. They should be made effective. Will they longer refuse to make use of the peaceful weapon which their fathers placed in their hands? If we will not with courage and conscience choose the methods of peace, the sword is inevitable. Persistent oppression on the one hand and neglect to make proper use of the ballot on the other, in the very nature of things, call for the application of force as the only solution. Avenging armies always follow close upon the heels of legalized injustice. If we would escape the sword we must at once conquer through the power of truth and through knowledge incarnated and set in motion.

Let us all remember that the various organizations, now so powerful, cannot always be maintained. They will decay with time and fall to pieces from lack of purpose or the discouragements of defeat. Our enemies well understand this and are urging procrastination and pleading for time. As well might the general of an army send a bearer of dispatches, under a flag of truce, to ask the commander of the opposing forces when he would like to have the engagement brought on. If the general consulted were weak in numbers he would decide to postpone the battle until such time as the forces of his adversary could be wasted by death, disease and desertion.

STRIKE NOW!

We have challenged the adversary to battle and our bugles have sounded the march. If we now seek to evade or shrink from the conflict it will amount to a confession of cowardice and a renunciation of the faith. Let us make the year 1892 memorable for all time to come as the period when the great battle for industrial emancipation was fought and won in the United States. It is glorious to live in this age, and to be permitted to take part in this heroic combat is the greatest honor that can be conferred upon mortals. It is an opportunity for every man, however humble, to strike a blow that will permanently benefit his race and make the world better for his having lived. Throughout all history we have had ample evidence that the new world is the theater upon which the great struggle for the rights of man is to be made, and the righteous movement now in progress should again forcibly remind us of our enviable mission, under Providence, among the nations of the earth.

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